

# DAILY REPORT

*China*

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WU XUEQIAN TO VISIT CANADA, U.S. IN OCTOBER

OW310753 Beijing XINHUA in English 0749 GMT 31 Aug 83

[Text] Beijing, August 31 (XINHUA) -- Chinese State Councillor and Foreign Minister Wu Xueqian will visit Canada from October 4 to 10 and the United States from October 10 to 15. This was announced by Qi Huaiyuan, director of the Information Department of the Foreign Ministry, at the weekly news briefing here this afternoon.

At the invitation of Allan MacEachen, deputy prime minister and secretary of state for external affairs of Canada, and the U.S. Secretary of State George Shultz, Wu Xueqian will have extensive exchange of views with the secretaries of state and government leaders of the two countries on bilateral issues of common concern.

INTERNATIONAL SEMINAR ON RURAL DEVELOPMENT ENDS

## Du Runsheng Gives Speech

OW302042 Beijing XINHUA in English 1830 GMT 30 Aug 83

[Text] Beijing, August 30 (XINHUA correspondents Yuan Jiang and Li Zhurun) -- China's current rural economic reform is a process in which the country's economic system perfects itself. It is by no means a fundamental change in socialism itself. This statement came from Du Runsheng, director of the China Rural Development Research Center, this morning when he discussed China's rural policies with participants at an international seminar on integrated rural development.

One major aspect of this reform, he said, is the institution of a responsibility system under which collective land is farmed on a contractual basis by either rural households or groups of laborers. The system enables the producer to know in advance what he or she will get from work, Du Runsheng said. It aims at solving the various contradictions resulting from the past policy characterized by an overconcentration in management, labor and distribution. Therefore it is not a wholesale transformation. The China Rural Development Research Center has the responsibility of advising the Chinese Government on rural policies.

Generally speaking, Du Runsheng said, China's socialist system conforms to the interests of the people, and that explains why the country has achieved considerable economic growth in the past three decades. Nevertheless, he said, this system once had the error of overconcentration. Agricultural producers used to be paid on a workpoint basis, he said, but they did not know in advance how much they would be paid for their work. So it was natural that they should sometimes have become apathetic toward collective work.

The current system, he said, integrates centralization and decentralization. Whatever can be done on a household basis will be done by individual households, he said. Nevertheless, unified actions -- or cooperation -- will be organized by the collectives when necessary. Things like building of water conservancy projects, purchase and uses of large machines, crop pest and disease control have to be done on a cooperative basis, he added. Collective production undertaken on a household basis is different from individual farming of the past, he said. "Household collective production", so to speak, will develop in the direction of specialization and further division of labor -- in the direction of socialized labor to achieve integration in social services and increase commodity production. "This will make the socialist relations of production more varied, thus promoting social productivity," he emphasized.



In answering questions from participants at the seminar, Du Runsheng said that the Chinese Government encourages peasants to achieve prosperity through labor. Some areas and individuals, however, will precede others in achieving prosperity. The government and relatively developed areas have the obligation to help underdeveloped areas to achieve prosperity. "Prosperity for all is our goal," he said. "But it is unrealistic to try to enable all areas to achieve prosperity simultaneously."

Du Runsheng said the policies being pursued have the following objectives:

- Enabling China to follow a socialist road that conforms to its specific conditions.
- Enabling the city and the countryside to develop simultaneously, through mutual help.
- Incorporating rural economic development with development in other fields. In other words, it won't do to pay attention to economic norms only. Development planning must also cover the progress in culture, education and public health.
- Integrating development of production with ecological protection.
- Relying on the people and doing everything in the interest of the people to bring their initiatives into full play.

#### Resolution Adopted

OW032040 Beijing XINHUA in English 1645 GMT 30 Aug 83

[Text] Beijing, August 30 (XINHUA) -- An international seminar on integrated rural development ended in Beijing today with a call for more progress in agricultural production and all other aspects of rural life.

A recommendation adopted by the seminar says concern for integrated rural development should be reflected in national policies and programs, and that governments should inject more funds and resources into this task. It also expresses the hope that international organizations would allocate additional funds for integrated rural development and promote international technical cooperation.

The seminar, which was jointly sponsored by the United Nations and China, opened in Shanghai on August 16. Participants from 25 countries held the last session of discussion and a closing ceremony today in Beijing, following discussions and visits in Shanghai and Shandong Province.

The delegates were from Argentina, Bangladesh, Bolivia, Costa Rica, Ethiopia, Fiji, Guyana, Honduras, India, Jordan, Kiribati, Morocco, Nigeria, Pakistan, Peru, the Philippines, Senegal, Sri Lanka, Solomon, Sudan, Tanzania, Thailand, Togo, Uganda, and China.

#### FOREIGN BIDS OPENED FOR HEILONGJIANG PROJECT

OW301333 Beijing XINHUA in English 1144 GMT 30 Aug 83

[Text] Beijing, August 30 (XINHUA correspondent Zhou Qifu) -- Bids for the supply of construction machinery for a land reclamation project in northeast China's Heilongjiang Province were opened here today on schedule. Representatives of 42 firms and manufacturers from the United States, Canada, West Germany, Japan, Romania, China and other countries participated in the bid opening ceremony conducted by the China National Technical Import Corporation.

The project will be financed with the proceeds of World Bank loan and credit equivalent to 80 million U.S. dollars.

It involves the procurement of 100 two-wheel tractors, 300 four-wheel drive tractors and corresponding machinery, 100 self-propelled combine harvesters, 110 excavators and self-loading scrapers to be used in the reclamation of 200,000 hectares of land scheduled for completion by 1986. Evaluation of the bidding proposals will start soon and contracts are expected to be awarded this October, according to the National Technical Import Corporation.

Present at the bid opening ceremony were representatives from the Ministry of Foreign Economic Relations and Trade, the Ministry of Finance, the Ministry of Justice, the China Council for the Promotion of International Trade, the Bank of China and the Ministry of Agriculture, Animal Husbandry and Fishery.

PRC OFFICIAL DISCUSSES TRADE WITH EEC, BELGIUM

HK310130 Beijing CHINA DAILY in English 31 Aug 83 p 2

[Article "by our staff reporter" Zhu Ling]

[Text] The European Economic Community (EEC) will remain China's big potential trade partner and the promise of bilateral trade between them holds bright prospects, according to Xu Shiwei, newly-appointed commercial councillor of the Chinese missions to Belgium and the EEC.

Xu, 44, vice-president of Beijing Institute of Foreign Trade, is leaving soon for Belgium to take up the new posts.

Xu said that despite some trade fluctuations in recent years. The bilateral economic co-operation between China and the EEC as a whole is good and effort should be made to seek further expansion.

He pointed out that the two sides should work together to explore the possibilities of diversifying the bilateral economic co-operation.

Despite the positive trend of the bilateral trade between China and the EEC, there is still much to be desired, Xu remarked. For instance, China has been in the red in its trade with the EEC.

Between 1978 and 1981. China's export to the EEC increased fairly fast. Last year, the export volume dropped sharply due to the economic recession and protectionism in the West, the new councillor said.

On China's imports from the EEC, Xu said, "China is a potential market, but the EEC member states should further raise their competitiveness."

For its part, Xu said, China should strive to boost the production of its most marketable products. "Therefore, we should focus on turning out products that sell well on the international market," he noted.

"One of the bottlenecks in our work is that we are not well informed when doing business. We should look into the world market, update our knowledge and act accordingly."

The new councillor is satisfied with the trade relationship between China and Belgium. He noted that the two countries signed a telephone contract early this month and it is a big event. Xu Shiwei graduated from Beijing Institute of Foreign Trade in 1962. He was sent to England for one-year advanced study in 1965.

From 1972 to 1974, he was posted in Geneva, working at China's permanent mission to the United Nations organizations in Switzerland. When he returned to Beijing in 1974, he

was sent to take charge of teaching and research work at Beijing Institute of Foreign Trade. Xu is also vice president and secretary-general of China International Trade Association.

#### ASIAN ARCHEOLOGICAL SEMINAR CLOSES IN XIAN

OW261412 Beijing XINHUA in English 1104 GMT 26 Aug 83

[Text] Beijing, August 26 (XINHUA) -- The seminar on archeological studies in Asia, with special reference to China, closed yesterday in Xian, an ancient city in northwest China. It opened in Beijing on August 18.

Arriving in Xian on August 21, the archeologists from ten Asian countries, the United States, Britain and Sweden visited a number of historical sites including Banpo Village which displays neolithic Yangshao culture dating back more than 8,000 years, the terracotta figure museum at the Qinshihuang Mausoleum, the Maoling Mausoleum of Emperor Wudi of Han (206 B.C. - 24 A.D.), the Qianling Mausoleum of Emperor Gao Zong and Empress Wu Ze Tian of Tang (618-907) and the Great Wild Goose Pagoda built in the Tang Dynasty.

The foreign guests also visited an excavation site of the Linde Hall, a part of the Tang Palace, where the emperors held banquets and received foreign envoys. The hall foundation is 130 meters long and 80 meters wide. The Chinese archeologists will backfill the site to preserve the remains, and above it, the hall will be restored to its original grandeur for visitors.

During the seminar, the archeologists exchanged information and discussed matters relating to the excavation and preservation of the sites, progress in archeological work and international cooperation.

#### RENMIN RIBAO ON FUNCTION OF U.S.-SOVIET HOT LINE

HK300954 Beijing RENMIN RIBAO in Chinese 30 Aug 83 p 7

["International Jottings" by Zhang Hua "'Hot Line' and Enthusiasm"]

[Text] There is a "hot line" linking the telex machines of the White House and the Kremlin. Although this telecommunications circuit has seldom been used over the last 20 years, talks between the two sides on improving the efficiency of this "hot line" were "quietly" resumed in Moscow recently. It was said that a high speed data duplicator [shuju fuzhiqi 2422 2207 1788 0455 0892] will be added to the existing direct circuit to allow direct graphic and information exchange, and a new telecommunications network will be installed between the military headquarters and the embassy of each country.

It was said that the principal purpose of this "confidence" measure for improvement of the "hot line" proposed by the United States is to prevent the outbreak of a nuclear war due to "misunderstanding." The Soviet Union was indifferent to the United States proposal at the very beginning. TASS carried an article several months ago turning down this offer. The article held that this proposal was redundant since the relevant provisions in the Helsinki Accord were enough to fulfill the aim. The Soviet Union also pointed out that the major way to prevent nuclear war is to stop the arms race and that, in loudly talking about confidence measures for prevention of war while insisting on gaining nuclear superiority, the United States was actually trying to win the support of the American people. Thus the proposal by the United States was shelved.

These views from Moscow sound rather reasonable. Then, why does the Soviet Union suddenly change its mind and become interested in the talks now? Is it willingly yielding to the U.S. propaganda trick or is it attempting to give the impression that the Soviet Union and the United States are "defrosting" their relations? This change in the Soviet Union attitude will naturally force people to wonder about the actual use of the improved "hot line" which is being planned by the United States and the Soviet Union.

HONGQI CITED ON WESTERN WORKERS' 'BURDEN'

HK300200 Beijing CHINA DAILY in English 30 Aug 83 p 4

[Article "From Hongqi" by Huang Suan: "Western Workers Suffer From Long Depression"]

[Text] A rare long-term economic depression began in the middle of the 1970s during which two serious crises of overproduction took place; from 1973 to 1975 and from 1980 to 1982. They inflicted profound suffering on the working class.

Trying to maintain huge profits, monopoly Western capitalists and their governments tried every means to shift the burden to the working class. These include the following.

1. Large-scale dismissal and intensified exploitation of workers. Machinery is continually introduced to replace workers; a few skilled workers substitute for larger number of unskilled workers. The number of registered unemployed workers of member states of the Organization for Economic Cooperation and Development (OECD) increased from 9 million in 1973 to more than 30 million in 1982 as the unemployment rate rose from 3.3 percent to the post-war record of 8.5 percent.

Employment in member states of OECD during 1975-1982 increased by only 6 percent while total worth of national production increased by 19 percent. The American manufacturing industry did not increase its employment of workers, but its production increased by 18 percent.

2. Wages were pushed down as low as possible and profits raised as high as possible. Since the middle of the 1970s, inflation has reached an unprecedented level. Consumption commodity prices of OECD member states during 1974-1982 rose an average of 10.2 percent per year compared with 4.7 percent during 1965-1973. Policy of freezing wages or restricting increases was introduced under the pretext of checking inflation, although such measures in no way control prices during the period of "stagnant inflation."

3. People's consumption was reduced in an effort to speed capital accumulation. Since 1979, Western governments universally introduced policies to raise taxes and cut spending. Social welfare expenditures were cut, indirect taxes -- which mainly fall on those with low incomes -- were raised and direct taxes including income taxes on individuals and corporations were reduced.

Since becoming President, Ronald Reagan has continually reduced social welfare expenditures. This year the Reagan administration proposed to reform the social security system so as to cut it by a total of \$164.3 billion during fiscal 1984-1989. During fiscal 1982-1984, consumption taxes, which fall mainly on low-income workers, will rise by 11.5 percent; the income tax, which falls mainly on high income individuals and corporations, will be reduced for three consecutive years to a total of 25 percent.

The proportion of corporation income tax in the total revenues of the federal government will drop from 15 percent of 1978 to 5.9 percent in 1983, the lowest level in years. But the total sum of taxes paid by American families in the last five years increased by 67 percent.

For the first time since World War II, the average rate of increase in real wages of workers in capitalist countries has shown a tendency to decline. The rate of increase was 4 percent in 1962-1972, but only 2.4 percent in 1973-1978. The real wages of American manufacturing workers actually dropped 5 percent in 1980.

In Western Europe, subsidies to unemployed workers ordinarily amount to 65-90 percent of past wages, but they usually are not given for more than one year.



More than one quarter of the unemployed workers in the European Economic Community countries have been jobless for more than a year and can depend only on trifling social relief that amounts to only about 40 percent of their wages.

Western countries have all established a so-called "poverty line" -- that is, an income figure that is considered to be barely necessary for subsistence. Even though Western scholars say this is lower than it should be, in the U.S. the official number of people living below this line has increased from 26 million in 1979 to 31.8 million in 1981 and to 34.4 million in 1982. In 1982, 15 percent of the total American population had incomes below the poverty line.

The deterioration of living conditions of the working class is also reflected in the gradual increase in frustrations. The worries caused by threat of unemployment and loss of income often lead to abnormal psychology, excessive drinking and harshness toward family members. According to American sociologist Harvey Brenner, each 1 percent increase in national unemployment figures brings an increase of 3.4 percent in psychiatric patients, of 4.1 percent in suicides, of 5.7 percent in murders and of 4 percent in criminals sent to prisons.

Strikes have become rampant during the past decade as workers have opposed shifting the burden of the past decade as workers have opposed shifting the burden of the crisis to them. The strikes bear the following characteristics:

The struggle is large and long. Since the late 1970s, workers of many Western countries have staged strikes of more than 400,000 or even more than a million men.

A very wide range of social strata is involved. In addition to industrial workers, there have been engineers, government employees, service workers, medical workers, teachers, actors, journalists, even judges involved.

Strikers often break through the control of trade union aristocrats. In England, in some years 95 percent of strikes were not ratified by the unions. In Western Europe, some strikes have developed into struggles to occupy factories.

Strike targets have been increasingly the economic policies of governments. This is especially because governments of Western European countries operate large numbers of state enterprises and are large employers themselves. In the latter part of the 1970s British workers struggled against the "social contract" between the government and the trade unions aimed at restricting wage increases. In the 1980s, American workers likewise staged strikes to oppose the economic policies of the Reagan administration.

DENG, WU MEET U.S. SENATORS, ANNA CHENNAULT

Deng Xiaoping Remarks

OW310735 Beijing XINHUA in English 0713 GMT 31 Aug 83

[Text] Beijing, August 31 (XINHUA) -- Deng Xiaoping, chairman of the Central Advisory Commission of the Chinese Communist Party, told American visitors here today that Sino-U.S. relations are developing after a period of twists and turns. "But the extent of the development remains to be seen," he said. Deng made this remark during a meeting with U.S. Senators Orrin Hatch and Edward Zorinsky and Vice-Chairman of the U.S. President Export Council Anna Chennault in the Great Hall of the People this morning.

When Hatch recalled Deng's successful visit to the United States in 1979, Deng said that he enjoyed that visit. "That marked a peak of Sino-U.S. relations. Afterwards, things went downhill. For our part, we wish to develop our bilateral relations comparable to those in that period. However, it seems to be no easy task," he noted. Hatch said both sides should do their best to increase exchange of visits and expand cooperation in all fields.

Deng Xiaoping observed: "I agree with you on this point. That will be conducive to our mutual understanding and also essential to the solution of problems that stand in the way of our bilateral relations." Deng also discussed with the guests some regional issues such as the situation in Central America and the Mid-east.

Hatch and Zorinsky are here as guests of the Chinese People's Institute of Foreign Affairs while Anna Chennault is here seeking ways to expand bilateral trade as guest of the Ministry of Foreign Economic Relations and Trade. They are scheduled to leave Beijing tomorrow.

Wu Xueqian Discussion

OW301249 Beijing XINHUA in English 1148 GMT 30 Aug 83

[Text] Beijing, August 30 (XINHUA) -- Chinese State Councillor and Foreign Minister Wu Xueqian discussed Sino-U.S. relations and some international issues here today with U.S. Senators Orrin Hatch and Edward Zorinsky and Vice-Chairman of the U.S. President's Export Council Anna Chennault.

Hatch and Zorinsky are here as guests of the Chinese People's Institute of Foreign Affairs while Anna Chennault is here seeking ways to expand bilateral trade as guest of the Ministry of Foreign Economic Relations and Trade. They arrived yesterday.

GUANGDONG'S REN ZHONGYI MEETS U.S. OIL GROUP

OW300031 Beijing XINHUA in English 1452 GMT 30 Aug 83

[Text] Guangzhou, August 30 (XINHUA) -- Ren Zhongyi, first secretary of the Guangdong Provincial Committee of the Chinese Communist Party, said here today China-U.S. joint exploration of oil in the South China Sea is important for their economic cooperation as well as for friendship between the two peoples. Ren said this at a meeting here this afternoon with members of a delegation from the Esso-Shell consortium led by E.A. Humble, Chairman of Esso-China Limited. The provincial governor, Liang Lingguang, was also present.

Humble said that geologists from the Esso-Shell consortium had spent four years in studying the South China Sea. He said he was very optimistic about the prospects of the two zones the consortium had won rights to explore.



The 18 members of the delegation arrived here in separate groups from Beijing and Hong Kong on August 25. The guests discussed with the Nanhai (South China Sea) Petroleum Corporation and the Nanhai East Petroleum Corporation of the China National Offshore Oil Company (CNOOC) on setting up joint-management committees.

Humble and some other members of the delegation will leave here for Hong Kong later this evening.

#### U.S. MIDEAST POLICY 'DIFFICULTIES' ASSESSED

OW302349 Beijing XINHUA in English 1433 GMT 30 Aug 83

["Roundup: U.S. Middle East Diplomacy Still In Difficulties -- On the Eve of First Anniversary of Reagan's Peace Proposal" -- XINHUA headline]

[Text] Washington, August 30 (XINHUA correspondent Zhou Zexin) -- About a year has passed since U.S. President Reagan made his Middle East peace proposal last September. But the United States still finds its diplomacy in the region facing difficulties as the Reagan plan has been given a cold shoulder by most Arab states and even ignored by Israel.

During the past year, Washington centered its efforts on two issues in the Middle East to make the Reagan proposal a success. First, to speed up the "peace process" in the region by getting negotiations going on Palestine's autonomy associated with Jordan. The negotiations will be held between Jordan, representing the Palestinians and the United States and Israel. Second, to get Israel withdraw its troops from Lebanon.

However, little progress has been made in these two areas. Today, Israeli troops are still in Lebanon and are ready for "redeployment" south of the Awali River, a plan revealing its attempt for long-term occupation. So far, Syria has no intention to withdraw its troops from the country. The new U.S. special envoy Robert McFarlane fared no better since taking over from his predecessor.

In view of all these facts, some observers described the first [words indistinct] the Reagan's peace initiative as "the anniversary of failure."

The Reagan proposal was announced last September 1 following the Israeli invasion of Lebanon with U.S. backing and the ensuing weakening of the Palestine Liberation Organization (PLO). The plan claims that the "legitimate rights" of the Palestinian people should be considered but in fact it refuses to recognize their rights to national determination and the establishment of a home country. Washington insists that the PLO's recognition of Israel's right to existence is a precondition for its contacts with the PLO. Its undeclared purpose, in effect, is to make it impossible for PLO's legitimate representatives to take part in the negotiations.

At the same time, facts have shown that Israel is totally opposed to the U.S. peace plan while Washington is reluctant to take action to bridle its ambitions for aggression and expansion.

Naturally, it is difficult to carry out the Reagan plan under these circumstances.

Israel has recently decided to "redeploy" its troops in Lebanon out of political, economic and military considerations. The Lebanese Government fears that this would lead to long-term partition of the country. The United States objects to Israel's redeployment but seems unable to talk it into changing its decisions.

The Lebanon-Israel agreement, ironed out with U.S. mediations, has in essence become a scrap of paper. Washington's calculations to step up the Middle East peace process with Israeli troops withdrawal have, too, been baffled.

The Reagan plan calls for Israeli freezing of its settlements on the West Bank of the Jordan River. However, Israel not only went on with Jewish immigrations in the past year but stepped up its bid to annex the West Bank. To this Israeli move, the Reagan administration has voiced its opposition, but also repeatedly issued self-contradictory statements.

Recently, the United States vetoed a U.N. Security Council's draft resolution condemning Israel's settlements on the occupied Arab territories. In its explanation, the State Department openly declared that the dismantling of the existing Israeli settlements is "an impracticable demand." This is tantamount to recognizing Israel's expansionist policies. No wonder Israeli Foreign Minister Shamir said contentedly that the United States has at last seen the "reality" of the Jewish settlements on the West Bank.

The past events have clearly demonstrated that although the U.S. has come up with a proposal for the solution of the Arab-Israeli conflict, it is still partial to Israel though the two sometimes do have differences on certain questions. As a result, even those Arab states considered to be moderate and hopeful by Washington are dismayed by the U.S. policy.

It is against this background that President Reagan reiterated that he remains "committed" to his Middle East peace proposal in a radio address to the nation on August 27. And he even declared that Israeli settlements are "an obstacle to peace."

However, the United States can not retrieve its lost prestige in the Middle East by one or two verbal promises. As long as it does not change its pro-Israeli policy and does not treat the Arab and Palestinian peoples on an equal footing, the United States will get nowhere in the Middle East no matter what peace proposal it initiates.

#### BRIEFS

HUBEI EXHIBIT IN U.S. -- The third export goods exhibition held by Hubei Province in Ohio in the United States concluded on 21 August. Since its opening on 5 August, the exhibition has received some 800,000 visitors. Most goods were sold out in a couple of days after the opening and people were particularly impressed by the woodcuts, jade carving, porcelain, cotton, and bamboo products. During the exhibition, a delegation in charge of the exhibition and various foreign trade groups from Hubei Province held extensive business talks with American friends, and the total volume of business amounted to some \$6 million. Discussions have been held between the two parties on economic, technological, and labor service cooperation. [Summary] [Wuhan Hubei Provincial Service in Mandarin 1100 GMT 24 Aug 83 HK]

WOMEN'S VOLLEYBALL TEAM LEAVES USSR FOR HOME

OW302309 Beijing XINHUA Domestic Service in Chinese 1217 GMT 30 Aug 83

[Text] Moscow, 29 Aug (XINHUA) -- The Chinese women's volleyball team concluded its visit to the Soviet Union and left Moscow for home this evening.

Gao Shikun, charge d'affaires ad interim of the Chinese Embassy in the Soviet Union, gave a cocktail party this afternoon for the Chinese women's volleyball team. Ivonin, deputy chairman of the Committee for Physical Culture and Sports of the USSR Council of Ministers, (Rogachev), chief of the First Far Eastern Department of the Ministry of Foreign Affairs, and other responsible persons of departments concerned, as well as coaches and athletes of the Soviet national women's volleyball team attended.

At the party, the guests and hosts had a friendly conversation. The Chinese and Soviet athletes sat side by side and talked intimately, and took pictures repeatedly as keepsakes.

The Chinese women's volleyball team arrived in the Soviet Union on 20 August. The Chinese and Soviet women's volleyball teams played four friendly matches in Kiev and Moscow, learning from each other and exchanging skills in playing volleyball.

(Batygin), meritorious coach of the Soviet national women's volleyball team, told a XINHUA reporter: "The visit of the Chinese women's volleyball team to the Soviet Union is a very great event. The Chinese women's volleyball team is the world champion of 1982 and has its own tradition. The four matches played in the Soviet Union were the final test for the Soviet women's volleyball team before the European championships. A lot of things can always be learned from playing a strong opponent. So the matches were a very good opportunity for the Soviet team to learn."

He said: During the matches in Kiev and Moscow, the spectators spoke highly of the Chinese team's skills. Every time the Chinese team left the court the spectators applauded warmly, and this also showed that the ties are very strong between the people of the two countries.

COMPARISON OF ANDROPOV REMARKS ON PRC TIES

Beijing RENMIN RIBAO on 28 August carries a XINHUA report entitled "Andropov Talks About Euromissile Issue, Soviet-Chinese Relations," on his interview with PRAVDA on 27 August. A comparison of the RENMIN RIBAO account with the Beijing XINHUA Domestic Service insert published on page C 1 of the 29 August China DAILY REPORT reveals the following addition:

Paragraph two, last line, add after "expert": "We are also prepared to hold a political dialogue with China on fundamental issues concerning world development and, first of all, issues concerning the consolidation of peace and international security."

PENG ZHEN, HU QILI TO VISIT DPRK IN SEPTEMBER

OW301155 Beijing XINHUA in English 1136 GMT 30 Aug 83

[Text] Beijing, August 30 (XINHUA) -- A Chinese Communist Party and Government delegation will visit the Democratic People's Republic of Korea early next month to attend activities marking the 35th anniversary of the founding of D.P.R.K. at the invitation of the Korean Workers' Party Central Committee and the Government of D.P.R.K.

Head of the delegation is Peng Zhen, member of the Political Bureau of the C.P.C. Central Committee and chairman of the National People's Congress Standing Committee, and the deputy head is Hu Qili, member of the Secretariat of the C.P.C. Central Committee.

WANG ZHEN, JAPANESE DIETMAN DISCUSS DAIRY CATTLE

OW302126 Beijing XINHUA in English 1630 GMT 30 Aug 83

[Text] Beijing, August 30 (XINHUA) -- A Chinese leader said here today that China would like to develop technical exchanges in dairy cattle raising and related trade with Japan on the basis of equality, mutual benefit and supplying each other's needs.

Wang Zhen, a member of the Political Bureau of the Chinese Communist Party Central Committee, made this statement in talks with Tadashi Yaoita, president of the Japan-China Agricultural and Peasants Exchange Association, who is here on a visit. China is trying to expand its dairy industry, Wang Zhen said.

Japan is known for its experience in importing and propagating fine breeds of milch cows. China is interested in learning from Japan's experience and developing cattle trade with Japan because of its proximity, Chinese sources said.

Tadashi Yaoita, also member of the Japanese House of Councillors from the Socialist Party, said he welcomed Wang's proposal, and expressed his willingness to hold further detailed talks with the Chinese side.

Wang Zhen, who is also honorary president of the China-Japan Friendship Association, spoke highly of Yaoita for his efforts to promote agrotechnical exchanges between the two countries over the years. He Kang, Chinese minister of agriculture, animal husbandry and fishery, was present on the occasion.

JAPAN EQUIPMENT, TECHNOLOGY EXHIBIT OPENS

OW302210 Beijing XINHUA in English 1306 GMT 30 Aug 83

[Text] Shenyang, August 30 (XINHUA correspondent Liu Yuqin) -- A ten-day exhibition of Japanese automated equipment and technology opened here today in the capital of Liaoning Province. On display are prospecting and monitoring meters and instruments; medical apparatus; data processing, communications and broadcasting equipment; and electrical parts and electronic devices from 117 Japanese firms.

During the exhibition, which is sponsored by the Japan Association for the Promotion of International Trade, technical exchanges and negotiations on cooperation will be held.

NAKASONE URGES BROADER WORLD ROLE FOR JAPAN

OW302136 Beijing XINHUA in English 1854 GMT 30 Aug 83

[Text] Tokyo, August 30 (XINHUA) -- Prime Minister Yasuhiro Nakasone urged yesterday that Japan strive to become an energetic international state by shifting from its policy of economic centrality to one that attaches greater importance to culture and politics.



Speaking in Hakone at a national meeting of his ruling Liberal-Democratic Party (LDP), Nakasone criticized Japan's past economic policies as being marked by "egotism" and a closed door to foreign countries.

In his speech entitled "Strive To Make Japan an Energetic International State -- What Is the Post-war General Political Account," Nakasone said Japan has reached a point where, in order to meet international standards, Japanese thinking and social and economic structure must undergo a deliberate and marked shift.

On Japan's role in international affairs, Nakasone said Japan must maintain an independent government policy based on domestic conditions while taking political action to influence disarmament talks and to work for peace.

Refuting criticisms raised by opposition parties that post-war policies have been aimed at amending the Constitution and at making Japan a big military power, Nakasone "such views are short-sighted and superficial."

#### USSR MIGS REPORTED ON DISPUTED JAPAN ISLAND

OW302134 Beijing XINHUA in English 1649 GMT 30 Aug 83

[Text] Tokyo, August 30 (XINHUA) -- The Soviet Union has deployed about a dozen MIG-23 jet fighters in the Japanese territorial island of Etorofu in an apparent move to counter U.S. F-16 fighters to be stationed in Japan, the Japanese JIJI PRESS reported today.

According to the Japanese Defense Agency, the Soviet supersonic MIG-23s landed August 22 on Etorofu Island, and will probably be stationed there for a long time.

Etorofu is one of the four islands in the north Pacific occupied by the Soviet Union at the end of World War Two. Japan has repeatedly insisted on its sovereignty over the islands.

The Soviet Union first stationed 20 MIG-17s on Etorofu from 1966 to early 1981. Late last year more advance MIG-21s replaced the MIG-17s.

In May this year the MIG-21s were withdrawn and no Soviet fighter planes were stationed on the disputed island until the recent arrival of the MIG-23s.

The MIG-23 is capable of carrying up to six air-to-air missiles and compared to the MIG-21, has a superior tactical support capability. It also has a longer range and could reach Tokyo from Etorofu.

THAI PARLIAMENTARIANS' VISIT CONTINUES

## More on Kunming Banquet

HK310149 Kunming Yunnan Provincial Service in Mandarin 2300 GMT 29 Aug 83

[Text] On the evening of 29 August, the Yunnan Provincial People's Congress Standing Committee gave a banquet in Kunming in honor of Thai parliamentary delegation headed by Charubut Ruangsuwan, president of the Thai National Assembly.

In a cordial and friendly atmosphere, Chairman Liu Minghui presided over the banquet and proposed a toast. On behalf of the provincial People's Congress Standing Committee and the people of various nationalities in the province, he extended a warm welcome to the distinguished Thai guests. He said: China and Thailand are friendly neighbors. For many years the people of two countries have coexisted peacefully and helped each other, establishing an intimate friendship between us. We are glad to see that since the establishment of official diplomatic relations between the two countries, Sino-Thai friendship has developed rapidly on the basis of the five principles of peaceful coexistence, friendly contacts between the two governments and peoples have continuously increased; and business and cultural exchanges between the two countries have also continuously developed. He said: We have received in our province Princess Sirindhorn, Prime Minister Prem, and other distinguished Thai guests. All their visits have strengthened the friendship between us.

In his speech, Chairman Liu Minghui highly praised the Thai Government and people for their unremitting efforts to oppose hegemonism, to safeguard peace in Southeast Asia, and to seek an impartial and reasonable method in solving the Kampuchean issue according to relevant UN resolutions and the declaration of the International Conference on the Kampuchean Issue. He believed that the visit of the distinguished Thai guests will further promote the mutual understanding and friendship between the two countries.

While proposing a toast, President Charubut Ruangsuwan said: The Thai parliamentary delegation represents the whole Thai people, and we have come here to strengthen friendship between the Chinese and Thai peoples. He continued: A traditional friendship as close as flesh and blood exists between the Chinese and Thai people. We have visited Xishuangbanna in your province and have seen with our own eyes quite a lot of new things. You have made new achievements in developing economy and improving the people's livelihood. You have paid serious attention to arousing the enthusiasm and creativeness of minority nationalities, which will bring forth the development of national culture, economic prosperity, and the stability of the whole country. While talking about the Kampuchean problem, Charubut Ruangsuwan said: We want to defend world and regional peace. We will do all we can to help solve the Kampuchean problem in a peaceful way. We firmly believe that this policy will certainly be supported by the Chinese people and the people all over the world.

Attending the banquet were Qi Shan and Wan Lianfang, vice chairmen of the provincial People's Congress Standing Committee; Dao Guodong, provincial vice governor; (Hu Guohua), deputy commander of the Kunming PLA military units; (Zhu Zhuqing), vice chairman of the Kunming City People's Congress Standing Committee; (Fang Jinya), adviser to the Foreign Affairs Office of the provincial People's Government; and (Pan Jingsi), director of the Foreign Affairs Office of the provincial People's Government. Fu Hao, member of the NPC Standing Committee and adviser to Foreign Ministry, was also invited to attend the banquet along with the chief guests.



The Thai parliamentary delegation arrived in Kunming on the afternoon of 29 August accompanied by Fu Hao, Qi Shan, and (Pan Jinsi) after visiting Xishuangbanna Autonomous Prefecture of the Dai nationality. During their visit to Xishuangbanna, the distinguished Thai guests were warmly welcomed by (Tang Jiashou), chairman of the autonomous prefectural People's Congress Standing Committee; (Dao Xintai), vice chairman of the autonomous prefectural People's Congress Standing Committee (He Gui), deputy head of the autonomous prefecture; and local masses.

The distinguished Thai guests were warmly welcomed by Vice Chairman Wang Lianfang and other responsible person on their arrival at the Kunming airport. In the evening, the distinguished guests attended a theatrical party and watched performances of songs and dances given by the Kunming ensemble.

#### Guests Fly to Xian, Feted

OW302030 Beijing XINHUA in English 1515 GMT 30 Aug 83

[Text] Xian, August 30 (XINHUA) -- A delegation from the Thai National Assembly arrived here from Kunming today, accompanied by Fu Hao, Standing Committee member of the National People's Congress. This evening, the Standing Committee of the Shaanxi Provincial People's Congress held a banquet in honor of the Thai guests.

#### OANA HOLDS WORKSHOPS, MEETINGS IN INDONESIA

OW261405 Beijing XINHUA in English 1255 GMT 26 Aug 83

[Text] Jakarta, August 26 (XINHUA) -- The OANA (Organization of Asian-Pacific News Agencies) editorial workshop and technical group meeting were held in Jakarta from August 22 to 26. OANA, established in 1961, is a self-help and cooperative organization of news agencies in the Asian and Pacific region. It has 24 member news agencies today. XINHUA NEWS AGENCY joined OANA in 1981. OANA set up its ANN (Asian-Pacific News Network) on January 1st 1982.

The editorial workshop was the first editorial meeting of OANA. The meeting held that in order to let all news media utilize ANN news, OANA should promote its effectiveness, edit news in a way to meet the requirements of the users, and increase special articles, features and backgrounders. It was resolved to strengthen mutual understanding between the peoples in the region and strive for the creation of a new order for international news flow. The technical meeting of OANA discussed how to improve the work of redistribution centres for relaying news of ANN to all member agencies timely. It also discussed the question about improvement of the network and equipment. Both meetings were presided over by Ahmed Mustapha Hassan, president of OANA and president of BERNAMA (MALAYSIAN NEWS AGENCY). Harmoko, information minister of Indonesia, addressed the inauguration ceremony of the OANA meetings on August 24.

OANA had a joint session today with the representative of FANA (Federation of Arab News Agencies), to discuss the question of cooperation between the two organizations. The joint session decided that their secretary-generals will keep in contact and make concrete arrangements for cooperation.

#### HONG KONG LABOR LEADER ON FUTURE, PUBLIC OPINION

HK290529 Beijing ZHONGGUO XINWEN SHE in Chinese 0856 GMT 28 Aug 83

["Sovereignty, Public Opinion -- Interview with Zheng Yaotang Deputy Director of Federation of Hong Kong and Kowloon Trade Unions" -- ZHONGGUO XINWEN SHE headline]

[Text] Hong Kong, 28 Aug (ZHONGGUO XINWEN SHE) -- The Federation of Hong Kong and Kowloon Trade Unions held a "symposium on the future of Hong Kong" on 17 August attended by more than 200 chairmen, vice chairmen, and secretaries of its 72 member trade unions.

This news has attracted attention from different quarters since being publicized. For this reason our reporter specially interviewed Zheng Yaotang, deputy director of the Federation of Hong Kong and Kowloon Trade Unions.

"Hong Kong workers are deeply conscious of the righteous national cause, and all hold an identical view on our country's policy on 'recovering sovereignty over Hong Kong, establishing a special administrative region, retaining the present system, and maintaining prosperity.' The action respects both history and reality as well as being in keeping with the aspirations of Hong Kong workers." Zheng Yaotang, deputy director of the Federation of Hong Kong and Kowloon Trade Unions, said this in an easy and firm tone.

According to him, the federation had earlier held nine symposia similar to the one held on 17 August. When British Prime Minister Margaret Thatcher publicly claimed the validity of the three unequal treaties in September last year, the workers reacted strongly, particularly the middle-aged and old workers who were indignant at the remarks. Some of them recalled the humiliation they had suffered in the past, and expressed the view that to cast off this century-old national humiliation has been an aspiration of Hong Kong workers for years.

Concerning the issue of "Hong Kong people governing Hong Kong," and "maintaining the prosperity of Hong Kong," the leader said that there was lively discussion on the issue at the symposium, and that everyone gave examples of how, among special conditions of Hong Kong enabling it to achieve prosperity, the chief was that there was the mother-and-behind it which had looked after every aspect of Hong Kong for a long time, and that only because of this can the Hong Kong compatriots live a relatively stable life. Only when the majority of Hong Kong people live a stable life can Hong Kong be stable, and the hard work of the Hong Kong working masses, the intelligence and wisdom of the specialists, and the assiduous management of the industrialists and businessmen are the main factors in Hong Kong's prosperity. The practice of Hong Kong people governing Hong Kong in the future will certainly mean Hong Kong is administered even better.

Our reporter asked: What do the workers think about the attitude taken by the Hong Kong authorities toward public opinion? Zhen Yaotang cited the following two examples: On 18 March, seven member trade unions of the federation delivered a joint prospectus to the Executive Council and the Legislative Council, in which they put forward three demands: First, we demand that the Hong Kong authorities should review its policy of raising taxes; second, we demand the freezing of price rises by public utilities; third, we demand the shelving of the rates revaluation. We did not receive any answer until July and our reasonable demands were refused one by one. In addition, a number of price rises had been put into effect by that time.

The second example is that as early as 1980 the federation organized a questionnaire. Of the 10,000 people surveyed, about 80 percent agreed to the setting up of a social protection system, including one that would be jointly drawn up by the government, employers, and employees in order to solve the issues of retirement, unemployment, medical treatment, and so on which are of immediate concern to them. But this reasonable demand was also regarded as impracticable by the authorities. They heed the opinions of the public, true or false? Isn't the answer shown clearly?

RENMIN RIBAO ON NGUYEN CO THACH CONTRADICTIONS

HK291020 Beijing RENMIN RIBAO in Chinese 29 Aug 83 p 6

["Random Notes" by Wang Liang: "The Two-Headed Fox Has Two Mouths"]

[Text] Nguyen Co Thach, Vietnam's foreign minister, has been notorious for a long time for wagging his tongue too freely and going back on his words. In recent days his ugly performances of playing fast and loose have been particularly "outstanding." If we present all the speeches he has made in the past 2 or 3 months, we will see a farce which can be called "Nguyen Co Thach Slapping Nguyen Co Thach in the Face." If you do not believe it, please read the following dialogue:

Nguyen Co Thach, the foreign minister: It is necessary to create the right environment for the peaceful settlement of the Kampuchean issue.

Foreign Minister Nguyen Co Thach: The situation of Kampuchea is obviously irreversible. Vietnam will not make concessions in its policy on Kampuchea.

Nguyen Co Thach, the foreign minister: Vietnam's policy is to completely withdraw from Kampuchea and not to occupy this country.

Foreign Minister Nguyen Co Thach: Vietnam will never withdraw unilaterally. Vietnam's troops may stay in Kampuchea for 5 years, 10 years, or 20 years, or even until hell is frozen over and the sun rises in the west.

Nguyen Co Thach, the foreign minister: Vietnam is in favor of Kampuchea becoming a neutral, independent and nonaligned nation.

Foreign Minister Nguyen Co Thach: To play fair it is necessary to neutralize some of the ASEAN nations and not to neutralize such a victim of aggression and intervention as Kampuchea.

Nguyen Co Thach, the foreign minister: The dialogue between Vietnam and the ASEAN nations may cover whatever topics.

Foreign Minister Nguyen Co Thach: If ASEAN should hold talks with Indochina, they should be restricted to the international aspect of the Kampuchean issue....

Nguyen Co Thach, the foreign minister: The international aspect of the international issue should include such issues as the stationing of Vietnam's troops in Kampuchea....

Foreign Minister Nguyen Co Thach: It is necessary to put the Kampuchean issue aside. The Kampuchean issue is chiefly an issue between China and Vietnam. The complete withdrawal of Vietnam's troops should only be settled by China and Vietnam.

Nguyen Co Thach, the foreign minister: Thailand's proposal that Vietnam's troops should retreat 30 km from the Thai-Kampuchean border may be taken into consideration.

Foreign Minister Nguyen Co Thach: Thailand's demand that Vietnam should retreat 30 km from the Thai-Kampuchean border incorporates China's evil plot of colluding with U.S. imperialism, engineered 4 years ago....

The same Nguyen Co Thach may speak in this way today but change his tune tomorrow. It is his common practice to contradict himself. Such a foreign minister is really "flexible." No wonder he is nicknamed the "two-headed fox."

Nguyen Co Thach's capriciousness has precisely reflected the true nature of the hegemonism and the hooliganism of the Vietnam authorities. In seeking regional hegemony, they are capable of every trick, blandishment, slander, cheating and threatening, betrayal, and so on. This has also explained that despite the fact that Vietnam has time and again run into setbacks in foreign affairs, this foreign minister is still doing well in his official career.

RENMIN RIBAO ON SRV ANNEXATION OF KAMPUCHEA LAND

HK291138 Beijing RENMIN RIBAO in Chinese 27 Aug 83 p 6

["Jottings" by Zhi Guang: "New Development of 'Special Relations'"]

[Text] According to reports, the Vietnamese authorities recently moved the boundary markers along the Vietnamese-Kampuchean border at Kompong Cham and other provinces toward the Kampuchean side, or unilaterally took the Chilea River within Kampuchea as the boundary between the two countries, resulting in the nibbling away of a large piece of Kampuchean territory. The hegemonist manner of the Hanoi authorities has really gone so far as to be ferocious.

The ambition of the Vietnamese authorities to annex Kampuchea is long standing. Sending its troops to invade Kampuchea toward the end of 1978 was an important step of its overall control of Kampuchea. In order to deceive the public, the Vietnamese authorities and the Phnom Penh puppet power not long ago made a great show of being in earnest by signing the so-called treaty on the principle of settling the boundary issue and the agreement on the stipulations on the boundary of the two countries. They claimed to "safeguard the territories and sovereignty of each country" "in conformity with the spirit of international law and custom." This is an out-and-out deception. Vietnam's NHAN DAN has gone so far as to publish an editorial, lauding to the skies that this is the "new development of the special relations between Vietnam and Kampuchea." From such "new development" of expansionist action by the Vietnamese authorities in moving boundary markers at will in order to annex Kampuchean territory, one can clearly see how special the so-called "special relations of Vietnam and Kampuchea" are.



WAN LI MEETS BANGLADESH PRESS DELEGATION

OW301429 Beijing XINHUA in English 1301 GMT 30 Aug 83

[Text] Beijing, August 30 (XINHUA) -- China and Bangladesh both belong to the Third World and share identical views on many important international issues, Vice-Premier Wan Li said here today during talks with a Bangladesh press delegation.

Wan said relations between China and Bangladesh had developed in all fields since the establishment of diplomatic ties in 1975, furthered by exchanges of visits by the two countries' leaders.

China's foreign policy was based on developing and strengthening relations with Third World countries, opposing hegemonism and safeguarding world peace, he said. He expressed the hope that the people of China and Bangladesh would make joint efforts to defend peace in Asia and the world.

On China's internal situation, he said, "The major task is to develop our economy and improve living standards." The aim of quadrupling industrial and agricultural output by the end of the century could be achieved through hard work, he said. China's economy had made new gains through readjustment. Plans called for industrial and agricultural output to increase by four to five percent each year. But the actual increase had been six to seven percent, he said.

Wan Li said China depended mainly on her own efforts in the four modernizations and carried out a policy of opening to the outside world. "We are willing to develop economic and technical cooperations with all countries on the basis of equality and mutual benefits," he added.

The delegation, led by Obaidul Huq, the chief editor of THE BANGLADESH OBSERVER, arrived here on August 27 at the invitation of the All-China Journalists Association. They will soon leave for tours of Shanghai and Guangzhou.

NOTED INDIAN MUSICIAN PERFORMS IN BEIJING

OW291846 Beijing XINHUA in English 1830 GMT 29 Aug 83

[Text] Beijing, August 29 (XINHUA) -- Noted Indian composer and sitar player Ravi Shankar made his China debut before an audience of more than 1,000 at the People's Theatre here tonight.

Accompanied by Ishwar Lal Mishra on tabla drums and Shyama Das Chakraborty on tanpura (a stringed instrument), Shankar played four selections of Indian classical and folk ragas, expressing moods from the joyful to the serious and heroic.

Ravi Shankar has performed with noted musicians and symphony orchestras in Asia, Europe and the United States. He has also composed music for a number of well-known films in Bengali, Hindi and English, the latest being for the film "Gandhi."

Lu Ji, chairman of the Chinese Musicians Association, described his playing as "exquisite and showing distinct and rich feelings."

Attending tonight's performance were Zhou Peiyuan, vice-chairman of the National Committee of the Chinese People's Political Consultative Conference; and Zhou Weizhi, vice-minister of culture.

Also among the audience were Indian Ambassador to China, A.P. Venkateswaran and Mrs. Venkateswaran, and other Indian Embassy officials.

CPC'S SONG RENQIONG DEPARTS FOR ITALY

OW310807 Beijing XINHUA in English 0739 GMT 31 Aug 83

[Text] Beijing, August 31 (XINHUA) -- Song Renqiong, member of the Political Bureau of the Chinese Communist Party Central Committee, and his wife Zhong Yuelin left here this morning for Italy at the invitation of the Central Committee of the Italian Communist Party.

Seeing them off at the airport were Qiao Shi, alternate member of the Secretariat and director of the General Office of the C.P.C. Central Committee, Chen Yeping, head of the Central Committee's Organization Department, and Qian Liren, head of the Central Committee's International Liaison Department.

ITALY'S BERLINGUER RETURNS HOME FROM PRC

OW302004 Beijing XINHUA in English 1923 GMT 30 Aug 83

[Text] Rome, August 30 (XINHUA) -- Enrico Berlinguer, general secretary of the Italian Communist Party, told reporters at the airport here today that his visit to China was very useful because it enabled him within a rather brief period to go deep into China's reality, problems and ways to solve them. Berlinguer, who just returned home from a visit to China, said that he had a series of talks with Chinese party and government leaders about international issues of common concern. He said that China's open policy is manifested not only by its more and more economic, trade and cultural exchanges with foreign countries, but also by its increasing concern about international affairs, first of all, about the struggle for defending world peace.

Referring to the Kampuchean problem, he said that there are "no principled differences" between the Italian and Chinese Communist Parties. Both of them call for withdrawal of Vietnamese troops from Kampuchea and for a full restoration of sovereignty to Kampuchea. Present at the airport to welcome Berlinguer were leading members of the Italian Communist Party and Chinese Ambassador Ling Zhong.

IRISH OFFICIALS RECEIVE OUTGOING PRC AMBASSADOR

OW302012 Beijing XINHUA in English 1852 GMT 30 Aug 83

[Text] London, August 30 (XINHUA) -- Chinese Ambassador to Ireland Gong Pusheng returned home today at the end of her tenure of office, according to a report from Dublin. Earlier, Irish President Patrick Hillery and Prime Minister Garret Fitzgerald received Ambassador Gong respectively. During the cordial conversation, Fitzgerald said that relations between Ireland and China have developed satisfactorily since the establishment of the diplomatic ties. Gong held farewell receptions before her departure. More than 200 people including chairman of the Dail Tom Fitzpatrick, government officials and member of Parliament attended the receptions.

PRC-UK OFFSHORE OIL SUPPORT VENTURE OPENS

OW301433 Beijing XINHUA in English 1311 GMT 30 Aug 83

[Text] Tianjin, August 30 (XINHUA correspondent Dou Heyi) -- A Sino-British joint venture company providing support services for offshore oil exploration and production opened for business here Monday. The China Bohai Racial Positioning and Survey Co. Ltd., run by the China National Offshore Oil Corporation and the Racial Survey Ltd of the United Kingdom, will provide radio positioning navigation for oil exploration in the Yellow and Bohai Seas. The company, based at the port of Tanggu near Tianjin, will also provide surveying and positioning services for navigation channels, oil wells and pipes in China and other countries, a spokesman for the company said. Positioning services in the Yellow and Bohai Seas are scheduled to begin on September 1 and in mid-September respectively, he said.



BULGARIA'S ATTEMPTS AT PLANNED MANAGEMENT VIEWED

HK300755 Shanghai SHIJIE JINGJI DAobao in Chinese 15 Aug 83 p 5

["News Analysis" by Cao Ying: "Bulgaria's New Attempts in Planned Management"]

[Text] [Begin SHIJIE JINGJI DAobao introduction] The number of targets set in the state plan is reduced to seven, and the volume of goods sold and the total profit take the place of total output and the target for net output value. State organs in charge of the economy are making a transition toward "state-social" organs that are responsible for their own profits and losses. [end SHIJIE JINGJI DAobao introduction]

How to insist on centralized leadership and unified planning and, at the same time, overcome the defects brought by overconcentration is a problem of greatest concern to East European countries. In this respect Bulgaria has its own experiences and lessons. In the mid-1950's Bulgaria for a time switched from a centralized administration based on the principle of the region. Experience shows that shared administration based entirely on the principle of the region led to anarchism and regionalism, causing the central authorities to lose control over the entire national economy and bringing about an imbalance. From 1963 centralized administration based on the principle of the department was again resumed. But up to 1977 the traditionally high degree of centralization and the management system based on administrative orders could not effectively overcome the defects of overconcentration.

In the economic reforms introduced beginning in 1978 new attempts were made to solve this problem. Later, various measures were summed up in the "Regulations Governing the Economic Mechanism." These regulations covered almost all the phenomena of social economic management and provided unified stipulations concerning the respective functions and powers of various government economic departments and departments in charge, the authority over planning, over financial management, and over personnel management at the central, regional and enterprise levels, and the relations between departments and between organs. These were continuously altered and improved upon, with social economic development and with changes in economic conditions.

In the past overconcentration in planning chiefly arose from excessive and rigid controls imposed by unified state plans, suppressing the enthusiasm of localities and enterprises. Bulgaria on many occasions reduced the number of targets set in the plans from the central authorities. In 1977 the number of targets specified in plans from industrial departments under central control was cut to 20. From the start of the new reform in 1978, the number was slashed to eight. But to overcome overconcentration in planning called for not only reducing the number of targets set in centralized plans but also paying particular attention to the selection of targets. Therefore, after the introduction of the "Regulations Governing the Economic Mechanism," Bulgaria reduced to seven the targets specified in the state plan by the central authorities. Meanwhile, the sales volume of major products and materials and the total amount of profit were allowed to replace total output and the target for net output value. The target for fixed wages and average wages among enterprise workers was abolished. Enterprises practiced economic accounting chiefly based on responsibility for their own profits and losses and introduced the wage system based on the final balance of total income after the deduction of various expenses with enterprises taken as the unit.

Bulgaria believes that the overall utilization of the relations between commodities and money and other economic means is a way to limit administrative orders and eliminate subjectivism and bureaucratism. By using economic means, actual results of restraint and coercion can be achieved. Economic activities can be put in the proper orbit and on the basis of the unified interests of the state, the enterprise, and the individual.

Bulgaria has also attempted to carry out in social economic management the principle of "state-society," gradually turning state organs in charge of economic matters into "state-social organs." In 1979 the Ministry of Agriculture and Food Industry under the Council of Ministers was abolished. In its place the national federation of peasants and workers based on the representative assembly system was established. This was one way of realizing this principle. The federation was not only a state organ but also a social organ. Its leadership organ and its leading members were elected. Meanwhile, it practiced economic accounting. Chiefly through economic means it exercised leadership over agriculture and the food-processing industry. Bulgaria is prepared to gradually launch a transition from state organs to state-social organs. This is an attempt worth noting.

#### HUNGARY DEVELOPS, REFORMS ITS ECONOMIC SYSTEM

HK291437 Shanghai SHIJIE JINGJI DAOBAO in Chinese 8 Aug 83 p 6

[Report by Yan Pei: "Hungary Puts Forth Tentative New Plans and Ideas for Further Reforming the Economic Management System"]

[Text] [Begin SHIJIE JINGJI DAOBAO introduction] The practice of the system of sharing power under high-level central management; the strengthening of flexibility of plans; the separation of enterprise ownership from management; not advocating that the state economy should play a dominant role and that the state enterprises are more advanced; every system of ownership can take various forms of management; the individual small economy may as well be called the socialist system of ownership by individual citizens. [end SHIJIE JINGJI DAOBAO introduction]

Hungary is making preparations for the further reform of the economic management system. Recently, well-known Hungarian economists Rezso Nyers and Jozsef Bognar told our economists, who were on a study tour, about developments in the reform of their system, and their ideas on further reform.

#### The System of Sharing Power Under High-level Central Management

The Hungarian economists first pointed out that the Hungarian economic management system is "a system of sharing power under high-level central management." The feature of this system calls for integrating the raising of the level of central management and expansion of an enterprise's decisionmaking power, rather than for setting the two in opposition. Therefore, as a trend of development in the reform of systems, this cannot be simply treated as a matter of developing in the direction of more centralization, or in the direction of division of power. This also means that we must not only raise the efficiency and level of central management and improve the ways of management but also expand enterprise decisionmaking power, allowing an enterprise to better integrate its decisionmaking power, responsibilities, and benefits.

**Plans Put on a Flexible, Unrestricted Basis**

On planning, the economists said that we must first of all strengthen efforts to make plans flexible and unrestricted. Plans cannot be too rigid, however some of their contents may be changed in light of the development of economic conditions. We must strengthen the business of making forecasts in our planning. We must formulate various programs and various plans, carrying out whichever fits in with reality. Second, we must strengthen the comprehensive nature of plans. We must stop putting plans on a departmental basis and instead formulate comprehensive plans based on given targets or items. Third, we must strengthen efforts to achieve a balance in value where a plan is concerned, and reduce the role of material things in reaching a balance. Fourth, we must put emphasis on growth where the structure is concerned. This is to say that in the process of doing planning work, we must pay attention to studying the possibility of stimulating economic growth through a change in the mix of investment and products, given an appropriate reduction in investment. Fifth, we must strengthen the social nature of plenums. In formulating plans, we must take into consideration the demands of social or public opinion, and induce experts well acquainted with social conditions to participate.

**Separation of Ownership From Administration**

On the problem of separating ownership from management and administration, the Hungarian economists said that there had been a long period of debate on this point. If the economic administration department brings its power to bear on an enterprise as both owner and manager, it must resort to the method of direct administration. On the other hand, given the combination of the two roles, it is very difficult to affix the responsibility for an erroneous policy decision and poor management. To raise the level of management and administration, we should resort to indirect administration based chiefly on economic means. It is therefore necessary to separate the above two roles. Projected measures are: 1) The establishment of economic administration organs directly under the National Assembly, such as joint economic committees with the participation of the Minister of Finance, the Director of the Planning Bureau, and so forth, to strengthen state control and coordination where the economy is concerned. 2) The further reduction of the number of departments, the weakening of departmental power, and the forfeiture of a department's power of supervision over the property of enterprises under it.

3) The establishment of a supervisory department and the unified exercise of the power of the owners of enterprises in supervising enterprise property management. The supervisory department is to be held responsible for the removal or appointment of enterprise leadership personnel and the flow of enterprise funds.

#### A Changed View on the System of Ownership

On the system of ownership and the form of management, the Hungarian economists said that in the past, it was stressed that the state economy should play a dominant role. Now this is no longer advocated. Cooperative enterprises can also do what state enterprises are capable of. There are large cooperative enterprises and also small state enterprises. It cannot be said that state enterprises are more advanced. Also, there are joint enterprises run by the state and cooperatives. It is very difficult to say what kind of system of ownership is involved. At the time of the victory of the revolution, the problem of ownership was regarded as one of great importance. In future, what is more important is the form of management. Every system of ownership can take various forms of management. Among state enterprises can be found enterprises from priority major enterprises under central state control to enterprises with great decisionmaking power to enterprises with a staff of less than 100, which can practice autonomy. The same is true of cooperative enterprises. Management can follow various patterns. In the past, it was held that where consumer goods belonged to individuals, the system of individual ownership was involved, and that where the means of production belonged to individuals, the system of private ownership was involved. Facts have provided more and more evidence that such an argument is incorrect and should be abandoned. In this connection, some people who attack the small economy that accounts for only 3 or 4 percent of the national economy of Hungary, are now considering the problem of finding a proper appellation for such an economy. In the course of discussion, some people suggested that this might as well be called the "socialist system of ownership by individual citizens."



JI PENGFEI MEETS MALI JOURNALISTS DELEGATION

OW301442 Beijing XINHUA in English 1309 GMT 30 Aug 83

[Text] Beijing, August 30 (XINHUA) -- State Councillor Ji Pengfei said here today that he hoped that Chinese and Malian journalists will strengthen contacts and contribute to the development of friendly relations between China and Mali.

Ji Pengfei made these remarks at a meeting with a Malian journalists' delegation led by Baba Daga Maissa, organization secretary of the Malian Journalists' Union and editor-in-chief of Radio Mali.

The delegation arrived here on August 10 at the invitation of the All-China Journalists Association. They visited Changchun, Shenyang, Shanghai and Nanjing. The delegation is scheduled to leave here for home tonight.

XINHUA COMMENTS ON PALESTINE, MIDEAST SITUATION

OW310011 Beijing XINHUA in English 1617 GMT 30 Aug 83

["Commentary: Palestine Issue and the Middle East Situation" -- XINHUA headline]

[Text] Beijing, August 30 (XINHUA correspondent Mei Zhenmin) -- The international conference on the Palestine issue being held under the auspices of the United Nations reflects the international community's concern over the Palestine issue and the urgency to find a just solution to it in face of the prolonged unstable situation in the Middle East.

There are at present four developments in the Middle East that call for our attention.

First, the Palestinian people are in a very difficult position, following the evacuation of the PLO forces from Beirut last year and the present Israeli demand that the PLO forces remaining in eastern and northern Lebanon be completely withdrawn from Lebanon.

The PLO led by Chairman Yasir 'Arafat has repeatedly voiced its willingness to reach a peaceful solution to the Palestine problem according to the Fes resolution adopted at the 12th Arab summit, but the United States and Israel are bent on rejecting the PLO and the Palestinian people's right to establishing an independent state.

Secondly, Lebanon is being threatened by a possible partition. Under the pretext that Syria and the PLO refused to pull out of Lebanon, Israel has not carried into force its promise made in the Lebanese-Israeli troop-withdrawal agreement. Recently, it redeployed its troops along the Awali River and has built permanent defense lines there. Reports say the Israeli military authorities are working out detailed plans to permanently partition southern Lebanon despite the statements made by Israel and the U.S. Government to the contrary.

Thirdly, as the Middle East peace process is time and again in a stalemate, the U.S. and the Soviet Union have stepped up their rivalry in the area. The Soviet Union is adding military assistance to Syria and the United States has named a new envoy to the Middle East.

Fourth, there have been disputes among Arab countries and recently within the Fatah, the main guerrilla group of the PLO, and between the PLO and Syria. These disputes in fact are temporary phenomena in Arab countries' strategic change from total rejection of peace with Israel to a peaceful solution according to the principles defined in the Fes resolution.

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But the rivalry between the U.S. and the Soviet Union and the policy of "divide and rule" pursued by Israel has intensified these disputes, landing the Palestinian people in an even more difficult position in their struggle against Israel.

However, the road ahead is not all thorns for the Palestinian people and the solution to the Middle East problem. The PLO under 'Arafat is still carrying out its heroic struggle against the Israeli expansionists and Arab countries are making efforts to iron out their internal disputes and restore their united front. Besides, Israeli expansion is not only being opposed by the Arab people, but also by the Israeli people as well.

The world's people have given their support and sympathy to the Palestinian people. They believe the struggle and other efforts would eventually win the Palestinian people their right to independence. At present, world opinion holds that the current U.N. session on the Palestine issue should take effective steps to apply pressure on Israel and its supporters in order to reach a just solution to the Palestine issue.



FURTHER COVERAGE OF ADVANCED WORKERS FORUM

## Leaders Receive Delegates

OW310419 Beijing XINHUA Domestic Service in Chinese 1510 GMT 30 Aug 83

[By RENMIN RIBAO and XINHUA reporters]

[Text] Beijing, 30 Aug (XINHUA) -- Hu Yaobang, Wan Li, Xi Zhongxun, Wang Zhen, Yu Qiuli, Ni Zhifu, Hu Qili, Qiao Shi, Hao Jianxiu, Hu Juewen, Tian Jiyun, Kang Keqing, Hu Ziang and other leading comrades received at Zhongnanhai this morning all the delegates attending the national conference to commend advanced units in developing collective and individual economies and making arrangements to offer jobs to urban young people.

When the reception began at 0900 warm applause broke out in the hall. Hu Yaobang and other comrades waved again and again to greet the delegates and cordially ask questions about their work, study and living conditions, and had group pictures taken with them on the lawn at Zhongnanhai.

At the Huarentang Hall, the party and state leading comrades held a cordial discussion meeting with the delegates. Comrades Hu Yaobang, Wan Li and others delivered important speeches.

In his speech, Hu Yaobang extended his heartfelt respects on behalf of the party Central Committee to the advanced collectives and individuals who had distinguished themselves in developing collective and individual economies. He encouraged the delegates to remain honorable and continually stand to the fore in the development of collective and individual economies, to promote the prosperity of the state, and make things convenient for the people's livelihood.

In his speech, Wan Li emphatically pointed out: To develop collective and individual economies is a long-term policy of the party. The party organizations and governments at all levels must regard such development as a major item on their daily agenda and strengthen their leadership as they do to state-owned enterprises. They must sum up their experiences in time, help solve their difficulties and further develop this cause.

Wan Li said: Various localities must organize the departments concerned, set up a coordinating organ for the development of collective and individual economies, and strengthen their leadership. They must support the collective and individual economies with taxes, supply of goods, and construction sites. He told the delegates: You are an important force, and you have great prospects. The state relies on you and the people need you. You must serve the people well.

## Hu Delivers Address

OW310621 Beijing XINHUA Domestic Service in Chinese 1454 GMT 30 Aug 83

[Text] Beijing, 30 Aug (XINHUA) -- Hu Yaobang, general secretary of the CPC Central Committee, made an important speech, entitled "How To Distinguish Between Being Respectable and Disrespectable," when he met with all representatives to the national conference for commending the advanced in developing the collective and individual economy and in arranging jobs for young people in towns and cities.

Hu Yaobang said: The party Central Committee and the State Council fully support the collective and individual economy in towns and cities and pay their respects to those comrades working in the collective and individual sectors of the economy who have contributed their share to making China wealthy and strong and making the people's life more convenient.

He said: Some outworn concepts that still prevail in today's society have hampered our progress. Public opinion is still not very clear about some standards of right and wrong. For instance, who is and who is not respectable? The distinction between being respectable and disrespectable is not clear. It is widely said that workers in state-owned enterprises are respectable, that workers in collective enterprises are less respectable, and that self-employed workers are disrespectable and will have a hard time finding mates. Some people even say that cadres are respectable and noncadres are not, that college students are respectable and noncollege students are not, and so forth. What is the criterion for distinguishing between being respectable and disrespectable? Unless we clarify this point and create powerful public opinion accordingly, we will not be able to tell right from wrong and good from bad and our progress will be hampered.

Hu Yaobang said: Is it good to work in state-owned enterprises? Of course it is. But do all workers of state-owned enterprises deserve our respect? There are people who report to work but do not work hard to be productive, who refuse to carry out assignments, who are disgruntled about wages and other forms of treatment and even engage in graft and embezzlement and misappropriate state property. Do these pickpockets deserve our respect? Thus, we should not judge matters from their outward appearance or signs, while overlooking their substance and essence. Is it good to go to college? Of course it is. China has few, not many college students. Most college students are good. However, despite the tens of thousands of yuan the state spends on them, some college students, after graduation, refuse to go anywhere but Tianjin, Nanjing, Shanghai, and Beijing. Is this respectable? Are they more superior than common people just because they have graduated from college? We should not judge matters that way. Is it good to join the party? Of course it is. What virtue is there if a person joins the party and later shows himself to be unsatisfactory in his performance and to be unqualified? Working in the collective and individual sectors of the economy is respectable because you contribute your share to the state and the people. I read a report which says that in 1982 the industrial output value of collective enterprises was 119.3 billion yuan, or 21.4 percent of China's total industrial output value; that the light industrial output value of collective enterprises accounted for 68.4 percent of China's light industrial output value; and that by the first half of this year there were already 26.81 million workers in the collective economy. What would become of our markets and people's livelihood without the collective and individual economy supplying the people with food, clothing, and articles for daily use?

Hu Yaobang said: There are now 1.86 million self-employed workers, 54 percent of whom engage in commercial work, 9.3 percent in catering services, and 7.1 percent in the repair service trade. The proportion of self-employed workers in the repair service trade is small because few people want to do this type of work. The system of exploitation has been abolished in China, so all work that benefits the state and the people is honorable and respectable. It is completely wrong for some people to dismiss or even oppose this viewpoint.

Hu Yaobang said: Who on earth is respectable? There should be a definite criterion. All workers who have worked hard and made contributions to the state and the people are respectable. The most respectable are those comrades who have made outstanding contributions under difficult and dangerous circumstances. So are those comrades who have made achievements in struggling against criminals, in overcoming difficulties in technology and materials, and in creating a new situation through self-reliance. Who are disrespectable and most disrespectable? Disrespectable are those who go after comfort, avoid hard work, and violate labor discipline. The most disrespectable are those who violate law and discipline. We should get rid of outworn ideas and replace them with correct ones.

Hu Yaobang said: Will the comrades gathered here please pass on this message when you go home, namely, that the comrade of the party Central Committee has mentioned that the many workers in the collective and individual economy have contributed their share to making China wealthy and powerful and making the people's life more convenient without requesting assistance from the state. The party Central Committee extends its respects and comfort to them.

Hu Yaobang said: This is the first time you have been rated representatives of the advanced. Your names are on the honor roll and will go down in the history of this work. This is good. But a good thing may turn bad if it is not handled properly. If a person is weighed down by burdens, refuses to move ahead, and discards honor, a good thing will turn into something bad. "I hope you will preserve honor, further display it, and continue to take the lead in developing the collective and individual economy to make China wealthy and powerful and make the people's life more convenient."

In conclusion, Hu Yaobang urged everyone to work harder after returning to his work so as to win still greater honor.

#### Meeting Issues Appeal

OW310115 Beijing XINHUA Domestic Service in Chinese 1350 GMT 29 Aug 83

[Excerpts] Beijing, 29 Aug (XINHUA) -- Representatives at the national meeting to commend the advanced in finding jobs for urban youths by developing collective and individual economy issued an appeal 29 August to comrades engaged in collective or individual economy, and young people awaiting employment throughout the country.

The appeal says: We must diligently study the documents of the 12th CPC National Congress, the 6th NPC Session, and the "Selected Works of Deng Xiaoping," and adhere to the four fundamental principles in order to thoroughly understand the party's general task in the new period. We must have firm faith in the party's policy, dare to resist outmoded ideas and do our job with confidence and ease. We must hold high the banner of patriotism and contribute our share to building our great motherland into a great modern socialist power. To achieve this goal, we must accept state guidance in planning and supervision by departments concerned. We sincerely hope that comrades engaged in urban collective economy persist in the spirit of reform and, based on the principles of "forming voluntary associations, assuming sole responsibility for one's profits or losses, exercising democratic management, distribution according to work, raising funds among workers and staff, appropriately sharing bonuses, collective accumulation and independent allocation," establish and improve rules and regulations, which will help promote the production and continually improve operations and management, in order to consolidate and expand the collective economy and raise economic results.

The appeal says: We earnestly hope that government departments, mass organizations, and other circles concerned will continue to give us their vigorous support and assistance. At the same time we oppose the unhealthy tendencies of exerting excessive pressure or control and other discriminatory measures against a legitimate undertaking pursued by workers of collective or individual economy. We fervently hope that parents in all circles support and encourage their children to engage in the work of collective or individual economy, so that young people can bring into full play their wisdom and talents, realize their dreams, and fill their youth with splendor.

## Leaders Attend Meeting

OW300345 Beijing XINHUA Domestic Service in Chinese 1345 GMT 29 Aug 83

[By reporter Qiu Yuan]

[Excerpts] Beijing, 29 Aug (XINHUA) -- Six hundred and nine advanced collectives and individuals who contributed to the development of the collective and individual economy and the employment of young people in cities and towns were commended today at the Great Hall of the People in the capital.

The 7-day national meeting to commend advanced collectives and individuals ended this afternoon. President Ma Hong of the Chinese Academy of Social Sciences presided over the closing session. Ni Zhifu, chairman of the All-China Federation of Trade Unions, and Hu Jintao, member of the CYL Central Committee Secretariat, attended the session and extended their greetings to the participants. Guo Liwen, first secretary of the All-China Women's Federation Secretariat, made a closing speech.

During the meeting representatives from various localities exchanged their experiences. Noted economist Xue Muqiao made a report.

STUDIES ON SOUTH-NORTH WATER DIVERSION HEIGHTENED

OW301203 Beijing XINHUA in English 1114 GMT 30 Aug 83

[Text] Beijing, August 30 (XINHUA) -- China will accelerate research on the project for diverting water from the Yangtze River in the south to north China, according to the State Science and Technology Commission.

Before 1985, the commission said, the research will focus on how much water can be transferred from the Yangtze River, how big an area the water will benefit, and how the project will affect the environment in the lower reaches of the Yangtze River and along the diverting route. The total economic and social results of the project and key techniques for the project will also be studied, including the research of waterway navigation technology and the development of large water pumps.

Plans for the diversion project have been underway. Based on extensive field surveys, theoretical study and analysis, experts have proposed many routes for the diversion. In March this year, the State Council approved a plan about the "east route", which goes along the ancient Grand Canal from Yangzhou on the lower reaches of the Yangtze to Beijing in the north.

The route was chosen because more and quicker results can be gained at less expense. There are many lakes along the route including Hongze Lake and Luoma Lake to be used for storing water. At the same time, existing water conservancy facilities on the Grand Canal can be used, and other preparatory work has already been done. Besides, the diversion project can also help harness the Huai River and render the Grand Canal navigable.

North China, or the area north of the Yellow River, lacks water. It is estimated that the whole area is short of about 20 thousand million cubic meters of water annually in relatively dry years.



RENMIN RIBAO ON COMBATING SAND EROSION

HK291021 Beijing RENMIN RIBAO in Chinese 26 Aug 83 p 1

[Commentator's article: "Plant Trees To Fight Sand Erosion"]

[Text] Sand is the natural enemy of arid areas. Sand erosion is a fatal threat to arid areas. A sandstorm can submerge a number of villages and large areas of farmland. In the broad arid areas in Nei Monggol and in the northwest region, the annual rainfall amounts only to 50 mm or so, but the annual rate of evaporation reaches as high as in the region of 2,000 mm, which is the crux of the arid areas.

It is gratifying that although the very vast stretches of arid areas threaten the people, the people have never been daunted by them. The saying "there are no flying birds in the sky and no human traces on the ground" can only be certified to be half-true. In those vast Gobi and other desert areas stretching to the horizon, it is true that the birds and beasts are nowhere to be seen, but men are there, and flocks of sheep and camel herds are there, lively and flourishing. There, in the most arduous circumstances, our diligent and brave herdsmen, the hard-working PLA, working personnel of various trades and professions, and scientific personnel doing various kinds of research work, all of them are persevering in a common effort in safeguarding and building the frontiers of our motherland.

More gratifying is the fact that our party's policy is becoming more and more practical, thus continuously bringing into full play the initiative of the broad people in arid areas. Here, there are not only the precious experiences of the method of sand solidification without irrigation and sand control with water diverted from the Huanghe River successfully conducted by Shapotou scientific research station of Lanzhou sand control research institute under the Chinese Academy of Sciences, but also the large-scale popularization of the experiences of Zhongwei County of Ningxia (as reported in RENMIN RIBAO 17 August page 1) and the typical example of large-scale sand control by well irrigation conducted by Yaotan grain and grass base of Alashan Zuo banner in Nei Monggol, carried in today's RENMIN RIBAO. For many years on the vast tract of open country of more than 80,000 square km, under the threat of the two great deserts of Maowusu and Kuqibu, the cadres and masses have persisted in their struggles for sand control, endured the test of severe droughts for 4 consecutive years, achieved great results, and advanced victoriously with ever-increasing confidence. This is because Nei Monggol Autonomous Region, beginning in 1979, has resolutely practiced the responsibility system in the production in agriculture and animal husbandry, and continuously summarized experiences and perfected its implementation. With respect to animal husbandry, the system has been carried out in the form of contracts for livestock, grass fields, and reclamation of wastelands, with draught animals mainly raised by private households. After confirmation of forestry and animal husbandry as the main undertaking, efforts have been exerted to eliminate the influence of the "leftist" doctrine of taking grain as the key link. In highland areas, resolute measures are taken to give up farming and restore livestock breeding, and to plant trees and grass, especially the ning-tiao [2899 2742] shrubs. Relatively comprehensive experiences have later been developed, such as three kinds of cultivation (the cultivation of grass, shrubs, and arboreal, with shrubs as the main element) and five small items (small drainage area management, small grass storage facilities, small wells, small economic forests, and small tractors). This series of correct policies and measures has demonstrated great force. Shrubs, grass, and forest areas have each been developing at a speed of two million mu per year, and during the droughts for 4 consecutive years, numerous victories have been won in the struggle. The adverse current of sand advancing and men retreating in past years has been checked, and a prosperous scene of men advancing and sand retreating has emerged.

In regions such as Yijinhualuo Banner, traveling for more than 200 kilometers in a car, one can only see ridges of green hills and furrows of verdant trees, just like the very scene emerging at the south of the Changjiang River, with few conspicuous dunes even if one gazes into the distance.

Sand is an arch enemy. It will advance if you do not fight back. Sand erosion will occur without afforestation. Confronted by the threat of sand erosion, it is a life-or-death struggle against nature in arid areas whether we make use of afforestation to fight the threat of sand erosion, to force it back, and to restrain it, or just let the threat of sand erosion magnify with an attitude of indifference, carelessness, or despondency. It is regrettable that not all our comrades have the fighting spirit with a high degree of vigilance and tenacity. The pernicious "leftist" influence of being both large and collective and taking grain as the key link has not been cast off completely, and therefore due attention should be paid to this phenomenon.

The struggle between afforestation and sand erosion is an arduous and long-term struggle in arid areas. We should do our utmost and employ every means to expand afforestation and combat sand erosion!

#### NATIONAL AGRICULTURAL RECLAMATION MEETING ENDS

HK300948 Urumqi Xinjiang Regional Service in Mandarin 1300 GMT 27 Aug 83

[Text] The national agricultural reclamation work report meeting, which the Ministry of Agriculture, Animal Husbandry, and Fishery held in Shihezi in our region, concluded yesterday. Comrades of the agricultural reclamation departments of all provinces, municipalities, and autonomous regions, and of relevant departments of the central authorities attended the meeting.

The meeting laid stress on discussing and studying the problems of how to implement the system of contracted responsibilities with payment linked to output in state-run farms and how further to run well agriculture-industry-commerce combined enterprises.

The meeting held: The production responsibility system of state-run farms must be constantly perfected on the basis of the principle that responsibility must be defined most clearly, interests must be most direct, and the method must be the simplest and most convenient. The key to implementing various forms of the system of contracted responsibilities, particularly the all-round contract responsibility system, lies in fixing and signing the rational quotas for contracts and correctly handling the relations between the three parties -- the state, enterprises, and workers.

The meeting pointed out: To consolidate further and to develop agriculture-industry-commerce combined enterprises and gradually to turn them into economic entities, at present, we must further enlarge economic combination. In farms we must, through various economic links and various forms, combine specialized households which implement the system of contracted responsibilities with payment linked to output, and collective and individual specialized households. Moreover, we must develop ties with enterprises outside the farms. Through various forms of economic combination, we must enhance the specialized level and the level of the production of commodities geared to the needs of society.

The meeting held: The work of straightening out agricultural reclamation enterprises must be speeded up and its quality must be improved. Through straightening out, we must perfect the economic responsibility system, heighten the political, technological, and professional quality of leading groups and workers, raise the production and management levels of enterprises, and bring economic results into full play.

WANG ZHEN ADDRESSES MEETING OF PARTY SCHOOLS

OW301345 Beijing XINHUA Domestic Service in Chinese 0149 GMT 30 Aug 83

[Text] Jinan, 30 Aug (XINHUA) -- The CPC Central Party School recently held in Yantai City, Shandong Province, a forum on the scientific research work of China's party schools. The participants in the meeting were responsible comrades of all provincial, municipal, and autonomous regional party schools, the party schools of some major cities and various departments of the Central Party School. The meeting exchanged information on how various party schools are implementing the guidelines of the second national conference on the work of party schools and discussed how to strengthen party schools' theoretical research and how to divide labor to prepare teaching materials for various courses.

Jiang Nanxiang, first vice president of the Central Party School, presided over the meeting. Wang Zhen, member of the Political Bureau of the CPC Central Committee and president of the Central Party School, attended and addressed the meeting. He pointed out: In the course of regularizing party school education, we should make great efforts to step up scientific research. We should use Marxism-Leninism and Mao Zedong Thought as a guidance and give priority to studying how to solve practical problems concerning China's revolution and construction in order to facilitate the building of a socialism with Chinese characteristics.

Wang Zhen emphasized: The leading cadres, faculty members, and students of the party schools at various levels should seriously study well "Selected Works of Deng Xiaoping." We should strive to use this book as an effective ideological instrument to build the party schools well. He urged party school teachers to adhere to the ideological line of seeking truth from facts, proceeding from reality, and integrating theory with practice, seriously study, constantly enhance their understanding of the theories of Marxism-Leninism and Mao Zedong Thought, and teach well.

The meeting pointed out: Comrade Deng Xiaoping has proposed that major universities should become education centers as well as scientific research centers. The same is true of party schools. At present the Central Party School is preparing to open its first regularized education class. We should work under the direct leadership of the Central Secretariat and firmly do a good job in training the principal leading cadres of provincial and prefectural party and government organizations. At the same time we should strengthen our research force and conduct research on social science theories in a comprehensive and thoroughgoing way. In the near future the provincial, municipal, and autonomous regional party schools should employ their main forces in teaching and actively create conditions for stepping up scientific research.

The meeting also studied the improvement of party school teaching materials. The participants hold that the improvement of teaching materials is a fundamental undertaking to regularize party school education and that qualified personnel should be organized to compile and write unified basic teaching materials for party schools of various levels in China.

RENMIN RIBAO URGES ENDING FEUDALIST INFLUENCE

HK310222 Beijing RENMIN RIBAO in Chinese 24 Aug 83 p 5

[Article by Ding Xueliang: "Earnestly Carry Out Reforms, Eliminate Influence of Vestiges of Feudalism"]

[Text] In his important speech entitled "Reforms in Party and State Leadership Systems," which put forth a basic program for the reforms in our country, Comrade Deng Xiaoping repeatedly expounded the question of eliminating the influence of the vestiges of feudalism in the ideological and political fields.



This is the most explicit, profound, and comprehensive exposition on this question ever made by the leaders of our party since China entered the period of socialism. It is well worth our conscientious study and comprehension.

### Concretely and Accurately Analyze the Influence of Feudalist Vestiges

What first merits our attention is the theory on the way of thinking expounded by Comrade Xiaoping in dealing with the influence of feudal vestiges. "It is necessary to take a scientific approach of seeking truth from facts. It is necessary to apply Marxism-Leninism-Mao Zedong Thought, and conduct concrete, accurate, and realistic analysis on the expressions of the pernicious influence of feudalism." ("Selected Works of Deng Xiaoping," p 295) This methodology is especially reflected in the three demarcation lines mentioned by Comrade Xiaoping -- the demarcation line between socialism and feudalism, the demarcation line between the essence of democracy and the dross of feudalism in China's cultural heritage, and the demarcation line between the pernicious influence of feudalism and some clumsy methods and imperfect systems in our work due to the lack of experience. In view of our lessons drawn from previous political movements, grasping this methodology has an important bearing on the successful elimination of the pernicious influence of feudalism. In the past, when it was said that a certain tendency should be criticized, it indicated that there would be a terrible "wind." During the "wind" of metaphysics, which did not make analysis and comparisons, those which should not be criticized or overthrown were criticized or overthrown, but those which obviously should be eliminated were worshipped as something "most revolutionary." Therefore, in the course of eliminating the influence of the vestiges of feudalism, it is necessary to strictly draw the three demarcation lines as mentioned above. We shall not allow anyone to oppose socialism under the pretext of opposing feudalism, or to protect the pernicious influence of feudalism, taking it as something of the socialist nature.

The theory on the way of thinking emphasized by Comrade Xiaoping runs through his speech. Starting from some phenomena, such as bureaucratism, over-concentration of power, patriarchal behavior, the life-long tenure of leading cadres, and various forms of privileges, which existed in the leadership and cadre systems of our party and state, he revealed some expressions of the remnant influence of feudalism in the political field. Without a doubt, it is not correct to make a one-way analysis on the causes of these corrupt practices. The existence of bureaucratism is not merely a result of a legacy of the history of old China. A more important root is the viewpoint copied from foreign countries which holds that under the socialist system and planned management system, a highly centralized management system should be established in the economic, political, and cultural fields, as well as in the whole society. Nevertheless, we must not deny that all the above-mentioned corrupt practices, including bureaucratism, have the color of feudalism.

For example, under the slogan of strengthening centralized party leadership, all powers were improperly, and without analysis, concentrated in the hands of several secretaries, and finally, to the person who was the first in command. The party leadership thus became a centralized power of a certain individual. From the concept which regards all this as a perfectly justified principle, can we not faintly see the influence of feudal autocracy, which is characterized by the theory advocating that "everything under heaven, no matter how big or small, must be decided by the supreme authorities"? For another example, there is a phenomenon of a patriarchal system in our revolutionary ranks. This system is characterized by unlimited personal power, placing the individual above the party organization, one person laying down the law, and personality cult. As a result, other people must always do as they are told to show "loyalty" and comradely relations between the leaders and the led have been changed into relations between the monarch and his subjects or between father and son as in the old society. In short, a relationship of dependence on the patriarch has been established.



This backward social phenomenon has a more profound origin in history. The patriarchal system was the foundation of China's feudalistic autocratic system for thousands of years. Since the patriarch possessed all family property, he certainly had the power to dominate his family members. The elders were placed high above their family organizations, and they enjoyed absolute authority in their families. The feudalistic autocratic monarchy system was an extension of the patriarchal system. Therefore, applying the patriarchal system in the revolutionary ranks cannot but seriously contaminate the body of our revolutionary organization.

After analyzing the remnant influences of feudalism in concrete systems, Comrade Xiaoping continued to reveal some expressions of these influences in ideology and work style, such as the patriarchal concept and the sense of hierarchy, which still exist in social relations, the weakening of the sense of the rights and duties of citizens, certain tendencies in economic work, the autocratic work style in the cultural field, some backward concepts of neglecting science and education, some practices in foreign relations characterized by parochial arrogance, and carrying out a closed-door policy, and so forth.

**It Is Necessary To Clearly Put Forward the Task of Further Eliminating the Influence of the Vestiges of Feudalism**

After reading Comrade Xiaoping's sharp and accurate analysis and criticism of the pernicious feudalistic influence, people can easily ask: Why do the vestiges of feudalism still have such an extensive influence on many aspects of our social life when the socialist system has been established for more than 30 years? In his speech, Comrade Xiaoping provided leads for the study of this complicated phenomenon in history. He said: "We thoroughly succeeded in overthrowing the reactionary rule of feudalism and the feudalistic land ownership in the new democratic revolution, which lasted 28 years. However, since we have underestimated the importance of eliminating the influence of the vestiges of feudalism in the ideological and political fields, and due to the quick shift to the period of socialist revolution, the tasks in this respect have not yet been completed." ("Selected Works of Deng Xiaoping," p 295) In China's history, the social situation at that time determined that the historical tasks for the new democratic revolution were very heavy and arduous. 1) Although the old democratic revolution had dealt feudalism a heavy blow, since the bourgeois forces in China were still very weak, the foundation of feudalism remained untouched, just like "a centipede that dies but never falls down." 2) As a result of the imperialist invasion, the contradictions between nationalities and those between classes were interlaced. Sometimes the former became prominent, and sometimes the latter leaped to the first place. However, since China was reduced to the status of a semifeudal and semicolonial country and feudalism acted as a dependency of imperialism, the fire of revolution was more often concentrated on imperialism than on feudalism, though both of them were main targets of the revolution. As a result, the feudalistic forces have had a breathing spell. 3) Eliminating feudalism is a complete course covering a wide range in the political, military, economic, cultural, and social psychological fields. However, during the new democratic revolution, the main form of revolution was criticism by means of weapons, and other forms of struggle became less important, or were even temporarily neglected.

Therefore, although the new democratic revolution thoroughly succeeded in overthrowing the reactionary rule of feudalism and the feudalistic land ownership, it was unable to completely and thoroughly eliminate the pernicious influence of feudalism in various aspects of social life. After all, China has experienced a long history of feudalism, which is deep-rooted, and it is difficult to get rid of all things entrenched in history, of which there is more than 2,000 years, in as short a time as 28 years. It must be understood that although the history of feudalism in Western Europe was much shorter than in China, the European bourgeoisie needed several hundred years to eliminate its influence in their revolution.

Normally, after entering the socialist period, we should draw lessons from the above-mentioned historical course and forcefully carry out the struggle against the influence of the vestiges of feudalism. The pity is that this has not been done well. The main reasons for this are as follows: During the initial post-liberation period, as some important problems left over from the democratic revolution, such as the nationwide reform of the land ownership system and so forth, were quickly solved, and some feudalistic ideas on marriage and other problems were criticized, it was widely thought that feudalism had become a "dead tiger" and the struggle against its vestiges had also become past history. Since the end of the 1950's, due to the "subjective errors in the party leadership's analysis of the situation and its understanding of Chinese conditions" ("Resolution on Certain Questions of the History of Our Party Since the Founding of the PRC" point 8), the contradiction between the proletariat and the bourgeoisie was wrongly overemphasized and taken as the main contradiction in China's society. It was said with certainty that during the entire historical period of socialism, there was the danger of capitalist restoration at all times. On the other hand, the negative influence of the long feudalistic society on the present Chinese society was neglected. Thus, all eyes were fixed on the "bourgeoisie outside and inside the party," and the pernicious influence of feudalism, which had been neglected, was constantly expanding and playing a contaminating role. At the same time, Lin Biao, Jiang Qing, Kang Sheng, and their followers had made use of the errors in the party leadership. These careerists, who had themselves acquired the deep-rooted habits of feudalism, did not allow anyone to criticize the influence of the vestiges of feudalism after they had usurped high posts one after another. However, under the pretext of "fiercely criticizing the bourgeoisie," they made an all-out effort to practice feudal fascism.

What is mentioned above were subjective reasons for not completing the task of eliminating the pernicious influence of feudalism. There is also an objective reason for it. Marxism holds that in order to eliminate the superstructure of feudalism, there must be highly developed conditions of social civilization (both material and spiritual civilizations). Since the founding of the PRC, we have made remarkable achievements in this respect. However, since we were far too backward in the past, and in addition, due to the "leftist" mistakes which restrained the development of the socialist commodity production and the development of education since, and cultural undertakings, some natural economic factors still exist in our economic life, and the cultural level of the broad masses of people in our country is comparatively lower. This has provided social soil for the existence of the vestiges of feudalism.

During the "Great Cultural Revolution," from a series of feudalistic activities waged by the Lin Biao, Jiang Qing, and Kang Sheng cliques, such as personality cult, obscurantist policy, closed-door policy, cultural autocracy, and the phenomenon that when one is in power even his fowl and dogs are a cut above others, and when one is down on one's luck, all one's family members and relatives are also involved, as well as giving orders to "select wives for a prince," and submitting written statements to higher authorities to express "sincere support," people can see with their own eyes the real danger of feudalistic restoration. The bitter lessons remind people of the preface of "Das Kapital" when it analyzes the situation in Germany: "It not only suffers from the development but also from the underdevelopment of capitalist production. In addition to the new disasters, there are also many disasters left over from history which are oppressing us. They are the results of the old and obsolete ways of production and the out-dated social and political relations accompanying them." Now it is clearly understood that we can take a leap over some stages in history, but we can never take a leap over some other things. For example, some nationalities can establish the socialist system on the basis of early capitalism without the full development of the latter. This shows that some stages in history really can be leaped over, and practice has already proved it.

However, the contents of social development in these historical stages which have been leaped over, that is, getting rid of the rubbish of feudalism in the political, economic, cultural, psychological, and ideological fields, must never be omitted. They must be completed by the people led by the proletariat in power so as to clear the path for the healthy development of socialism.

Since the smashing of the "gang of four," especially since the 3d Plenary Session of the 11th CPC Central Committee, our party and the broad masses of people have pondered this problem in a conscientious and serious manner. Their positive achievements are concentratedly reflected in a form of scientific theory in Comrade Xiaoping's speech. He pointed out in earnest: "It is necessary to clearly put forward the task of further eliminating the influence of the vestiges of feudalism in the ideological and political fields and conduct a series of effective reforms of our systems. Otherwise, the state and the people will suffer losses again." ("Selected Works of Deng Xiaoping," p 295)

#### Strategic Measures for Eliminating the Influence of the Vestiges of Feudalism

There are two aspects of the strategic measures. First, it is necessary to eliminate the remnant influence of feudalism in the ideological field. For the broad masses of cadres and people this means a course in self-education and self-remolding. It does not mean a "political movement" aiming at certain people. In our country any attempt to solve the ideological problem concerning the vestiges of feudalism in the form of a "hurricane" is doomed to failure. It is necessary to adopt the method of reasoning things out and holding discussions. In this way, and through a relatively long period of time, more members in our society will be able to free themselves from the pernicious influence of feudalism, emancipate their minds, raise their consciousness, and keep abreast of the construction of modernization.

Second, it is necessary to reform our systems. This is a matter of guiding significance. "The main task in eliminating the influence of the vestiges of feudalism is to effectively reform and perfect our party and state systems so as to guarantee the democratization in the political life of our party and state, in economic management, and in the entire social life." ("Selected Works of Deng Xiaoping," p 296) This important and convincing conclusion was drawn from past experiences by Comrade Xiaoping on the high plane of historical materialism. In observing the progress of social history, historical materialism has always placed the factor of a system above the factor of man's conscious action. Although bureaucratism and personality cult were opposed many times in the past, the results were unsatisfactory because we only carried out propaganda and education in ideology and work style, without the guarantee of systems. Sometimes all previous efforts were completely wasted when there were twists and turns. Being an action of conscious self-restraint, ideology and work styles are changeable. However, the systems are comparatively more "stable and long-term measures of fundamental and overall importance." (Selected Works of Deng Xiaoping," p 293) If the organizational and work systems of party and state are good, bad people will not be able to do whatever they want to do. On the contrary, if these systems are not good, good people will be unable to do people good turns or even will go in the opposite direction. Therefore, in order to eliminate the influence of the vestiges of feudalism, besides ideological education, a more fundamental strategic measure is to reform our systems. Only when we have firmly grasped this key problem can we effectively and smoothly fulfill the historical task of eliminating the influence of the vestiges of feudalism. Comrade Xiaoping has taken this as an important matter concerning whether "some serious problems in the past" will be "repeated" and "whether the party and state will change their colors," and a warning for the whole party. ("Selected Works of Deng Xiaoping," p 293) This merits our conscientious study and thought.



Therefore, the comrades of the whole party and the people of the whole country must never reduce the significance of the reforms which are being carried out step-by-step in our country, and regard them as revisions and changes of some particular items of our work. They must gain a correct understanding of the reforms from the high plane as Comrade Xiaoping required of them. Through this profound reform, the influence left over from the feudalist history which lasted thousands of years will surely and thoroughly be eliminated, the socialist system will surely be further perfected, and the superiority of the socialist system will be brought into full play. Without a doubt, if we lack this sense of history we shall not be able to understand the great significance, arduousness, and protracted nature of the reform, and shall not be able to overcome various difficulties and carry out resolute and thorough reforms step by step and in a planned way.

In the course of reform we must study and learn from the experiences of various countries, including the socialist countries which have a similar fundamental system as our country but are different in some concrete systems, and the capitalist countries which have a different fundamental system. We must absorb the progressive factors from various countries. On the other hand, we must carry out scientific criticism of capitalist ideology and never allow anyone to take it as a weapon for eliminating the influence of the vestiges of feudalism. The most powerful weapons we use are a high degree of socialist spiritual civilization and a high degree of socialist democracy. The former is used to eliminate the influence of the vestiges of feudalism in the ideological field, and the latter is used to eliminate this influence in the political field. The former not only refers to the socialist-communist ideology but also refers to scientific and cultural knowledge. Our historical experiences show that without this communist ideology cannot be firmly established. As a concentrated expression of communist ideology, Marxism itself is a science. All other forms of communist ideology which are not established on the scientific basis have nothing to do with Marx' scientific communism. The main point of a high degree of socialist democracy lies in the systemization and legalization of democracy.

Since Comrade Xiaoping made this important speech, our party and people's government have made great efforts to eliminate the pernicious influence of feudalism in the ideological and political fields and have achieved marked progress in this respect. At various party conferences and people's congress sessions, many important decisions were made on the reform of the leadership and cadre systems of the party and state, and many rules and regulations were worked out and adopted to counter the above-mentioned malpractices. In particular, we now have a new party Constitution and a new state Constitution. The socialist democracy and legal system have constantly been developed and perfected. Of course, in order to completely eliminate the influence of the vestiges of feudalism in various fields of our social life, it is necessary to develop socialist material and spiritual civilizations to a higher degree. We are convinced that under the guidance of the correct line of the 3d Plenary Session of the 11th CPC Central Committee, the historical task, which was not thoroughly fulfilled by several generations of the revolutionary pioneers, will surely be fulfilled. The practical experiences gained in the Chinese revolution on this question will certainly be a reference for those countries which are building socialism under undeveloped social and historical experiences -- this speech by Comrade Xiaoping is an example of the summarization -- is naturally a valuable contribution to the theory of scientific socialism.



RENMIN RIBAO URGES CENTRALIZING FINANCIAL WORK

HK310300 Beijing RENMIN RIBAO in Chinese 26 Aug 83 p 5

[Article by Wang Jiye: "Appropriately Strengthen the Degree of Centralizing Financial Work"]

[Text] Our country practices socialist planned economy. A major reflection of its superiority is that our country can concentrate its financial and material resources to suit urgent needs in developing our economy and handle some important tasks which are of great importance to the overall situation. As for financial capability, our country is required to maintain an appropriate degree of centralization of financial work so that the financial revenue accounts for a rational proportion in the national income.

Unify Our Cognition, Pool Capital, Ensure Key State Construction

Since the 3d Plenary Session of the 11th CPC Central Committee, our country has made great achievements in economic readjustment. The proportionate relationships among agriculture, light, and heavy industries are basically well coordinated, the proportionate relationships between consumption and accumulation are gradually being rationalized, the development of industry and agriculture are relatively rapid, and the economy is growing steadily as a whole. Compared with 1978 figures, the gross industrial and agricultural production value has increased on the average by 7.3 percent per annum, and the national income has increased on the average by 6.3 percent per annum. However, the national fiscal income during the period from 1979 to 1981 did not increase appropriately, but instead decreased, even to a negative rate. Though the trend went up again in 1982, the margin of increase was very small and the financial capability that our country can already become a most outstanding issue in our present economy. It will endanger our vigorous economic development in the 1990's unless we adopt effective measures to put an end to this phenomenon.

It has already been clearly shown that if we allow the diversification of capital to continue, it will be more difficult for us to control the fixed asset investment. Last year the sale of national fixed asset investment reached 84.5 billion yuan, exceeding the readjustment plan by 15 billion yuan, including the key construction investment which reached 55.5 billion yuan, exceeding the plan by 11 billion yuan. That year represents the largest scale of investment in our history as well as exceeding the national plans at the highest degree. This kind of expansion tendency has continued in the first 5 months of this year. The development will create a tense situation in goods and materials supply as well as bring more pressure on communications and transportation.

Overdiversification of capital will make it more difficult for us to control the consumption fund. The growth of wages and bonuses in recent years always surpasses the growth of labor productivity. The situation is acceptable in a certain period. But after the principal proportionate relationships of the national economy have been basically well coordinated, the proportion among the wages, bonuses, and labor productivity growth should be maintained at a rational level, in order to ensure that the country has the necessary financial capability for expanded reproduction, which is an objective demand of the law of economic development. At present, if we allow the growth of wages and bonuses to continue to surpass the growth of labor productivity, this will inevitably cause the social purchasing power to greatly surpass the availability of commodities. The result is that it will weaken the ability of commodity reserves to ensure supplies, thereby affecting the stability of market prices.

Overdiversification of capital will lead to an increase in extra-budgetary capital and encourage duplicating and unchecked construction. From 1979 to 1982, the national fiscal income was decreasing while the extra-budgetary capital was increasing on a large scale, from 37.1 billion yuan in 1978 to 65 billion yuan in 1982. The capital has increased by 75.2 percent, or an increase of 15.1 percent per annum. As most of the extra-budgetary capital is spent on general processing industries and nonproductive construction, the tense situation in energy and raw material supplies is further aggravated.

The result of insufficient national financial resources and overdiversification is that the heavy industry, particularly the general processing industries, will expand. This will cause heavy industry to squeeze light industry, processing industries to squeeze basic industries, and nonproductive construction to squeeze productive construction, finally affecting the speed of economic growth. It is especially necessary to point out that overdiversification of capital cannot guarantee the required capital for key construction, which plays a decisive role in our national economic development. In order to vigorously develop our economy in the 1990's, we must lay a good foundation in the 1980's, which requires us to carry out key construction. However, key construction is large-scale construction which requires a large amount of capital and a long construction period, and we can only put in capital but cannot get a product in the short term. Thus, the situation objectively demands our country to pool capital in order to carry out construction. However, the problem is the national budgetary investment is dropping constantly. Though the energy industry investment increased in 1982, its proportion in the total amount of investment did not go up. On the contrary, it dropped from 20.6 percent in the previous year to 18.3 percent. This is an unfavorable factor for pooling the required capital for ensuring the key construction projects. In his government work report at the First Session of the Sixth NPC, Premier Zhao Ziyang solemnly pointed out: "Overdiversification of capital will make us lose control of the overall scale of key construction, and encourage duplicating and unchecked construction. In addition, it will also be difficult for us to control the growth of consumption fund; in particular, the situation of arbitrarily giving bonuses, award in kind, and subsidies is getting more serious. On no account must we allow this situation to go on, or the key construction of our state cannot go forward, the normal economic order and proportionate relationships which have revived through our great efforts will possibly be upset again, the important resolutions and measures of the central authorities will be unable to be carried out, and the socialist modernizations cannot be carried out smoothly." This part of the report just hit the nail on the head and is very important. At present the whole party must unify their cognition, understand the harm of capital overdiversification, and adopt effective measures to appropriately strengthen the degree of centralizing financial work.

#### Strengthen the Proportion of Fiscal Income in National Income

There are various means to centralize financial resources, but the most important one at present is to readjust the distribution structure in national income, and to make the fiscal income a rational proportion of the national income, which is the most urgent problem. But how can we strengthen the proportion of fiscal income in national income, and to what degree can we regard the centralization of financial work as appropriate? This question requires us to conscientiously study the situation by proceeding from the capability of our country and the tasks of the four modernizations.

Judging from the historical situation of our country the proportion of fiscal income (excluding foreign loans and extra-budgetary income) in the total national income accounted for 34.2 percent per annum on the average from 1953 to 1978, and it has dropped in the last 4 years by 27.6 percent on the average.

Under the guidance of "leftist" thinking in the past, there was a malpractice of over-centralization on the issues of centralizing financial work and diversification. According to the restriction factors, which restrict the degree of centralizing the financial work and the requirement of our economic development in the future, we hold that the appropriate proportion figure of fiscal income in national income is within the limit of 28 percent to 30 percent. It is far lower than the historical average figure of 33 to 34 percent, and we are able to achieve it.

Basically speaking, we must readjust the primary distribution of national income, in particular, the newly added primary distribution in national income, in order to accomplish the above-mentioned requirement. Except for those already in production, such as the growth of forests in agriculture, weight gain in animal husbandry, and under-processing products in industries, the overwhelming majority of the national income produced in our country per annum can be utilized for direct distribution. According to estimates the proportion of national financial income in 1982 in national income which can be utilized for direct distribution has dropped by 9.7 percent when compared with the proportion of average income in the period from 1953 to 1978, while the proportion of enterprise income has increased by 3.8 percent and the proportion of individual income has increased by 4.9 percent. The reason for the occurrence of this phenomenon is that our country subsidize some consumer goods and prices of means of production in order to improve the living of the urban and rural people as well as to assist agricultural production. Total state subsidies in 1982 have already reached 32 billion yuan, which accounts for 30 percent of the fiscal income. The fiscal income is further affected as the economic results of industries and enterprises have not been not good enough in recent years, and material consumption is increasing. Therefore, in order to strengthen the degree of centralizing financial work, on the one hand we must improve the economic results and work hard to reduce material consumption in industrial production and production cost so as to increase national income; and on the other hand we must not allow the growth of workers' wages and bonuses to exceed the profit growth of enterprises and the growth of labor productivity so as to ensure the increase of national fiscal income. For the increase of peasants' income, they will no longer rely on pushing up prices of agricultural by-products but on production development. In addition, we must conscientiously check and consolidate the practice of price subsidies so as to gradually reduce the amount of subsidies. The retaining profit of enterprises which is on the high side should appropriately be lowered in order to ensure the increase of the central fiscal income.

#### Utilize Capital Well, Ensure Key Construction

Appropriately strengthening the centralization of financial work is for ensuring the key construction first. We must clearly define this point and carry it out with determination. This is because key construction, such as energy and transportation, requires a long construction period and we shall bungle the chance if we do not start working now. We must improve our cognition and heighten our sense of urgency. The energy production situation in recent years is that the output of crude oil always remains on the level of 100 million tons, while the rapid production increase of energy resources entirely depends on coal since the construction period of hydropower plants is rather long, creating extremely high pressure on the industry. After we have ensured key construction of the energy industry, we still have to concentrate our efforts on saving energy. In order to achieve our lofty strategic goal by the year 2000, we must regard the practice of saving energy as a long-term principle rather than an expedient measure. We must attach great importance to the issue ideologically, heighten our sense of urgency on saving energy and draw up long-term energy-saving plans. In addition, we must define our energy policies which will suit our national situation. We must determinedly consolidate those enterprises which consume large amounts of energy with poor results.



We must strictly control the development of energy consuming industry in those localities which lack energy resources. In short, we must utilize the pooled capital first on speeding up energy construction and, at the same time, stress the practice of energy saving. We must have a clear principle on daily-use energy resources, particularly electricity. We must not only emphasize high automation in production but, proceeding from the actual situation of our country, must consider the construction of an industrial structure which will save energy. Only by acting in this way can we make the best use of the pooled capital and bring about great economic results.

In order to utilize the pooled capital first on ensuring the key construction, all key construction projects must conscientiously do well in the early stage of construction work, handle matters strictly in accordance with the construction procedure, carry out arrangement of the construction plan in groups and in stages, do a good job of manufacturing complete sets of equipment for key construction, and define a rational proportion between key construction investment and general project investment. We must arrange general construction projects in accordance with the availability of energy resources supply rather than do the construction first while disregarding the availability of energy resources, nor can we place hope on the state that it will supply us with the required energy resources. On the other hand, we must conscientiously clear up the projects which are under construction. If we only reduce the amount of investment but not the number of projects, the result is that not only will they fall short of our expectations but also prolong the period of construction, undermining the results of investment. Therefore, when we are clearing up the projects which are under construction, we must stop or postpone some of them, particularly those projects which are beyond our plan and which get investment through fund raising. We must also clear up those projects which are within our plan. In other words, we must ensure the key construction while controlling the scale of construction; we must stress key construction while taking account of general ones. This is our historical experience. We have made mistakes in the past, that is, when we emphasized the key construction, we lost control of the overall scale of construction, resulting in key construction squeezing general construction and serious dislocation among principal proportionate relationships. Therefore, we must not start our key construction regardless of the consequences, nor must we undertake all projects at once. This is because if we do this, there will be no key construction and, thereby, no development. Hence, the chief principle of arranging macroeconomics which we must observe is that we must ensure the key construction while taking account of general construction, and systematically develop our national economy in a proportionate and well-coordinated manner.

#### RENMIN RIBAO ON FUNDS FOR UNIVERSAL EDUCATION

HK310533 Beijing RENMIN RIBAO in Chinese 27 Aug 83 p 1

[Editorial: "Raise Funds Through Various Channels To Run Schools, Accelerate the Introduction of Universal Primary Education"]

[Text] It is necessary basically to complete the task of introducing universal primary education in the 1980's, as pointed out by the "Decision on Certain Problems Concerning Universal Primary Education" issued by the CPC Central Committee and the State Council in 1980. It is necessary to raise considerable amounts of funds for education if universal primary education is to be realized in a big country with a population of 1 billion like ours. How to solve the problem of the funds for universal primary education based on the actual conditions is a matter of great importance, especially when the present financial condition of our country is hardly prosperous.



Summing up the experiences since the founding of the PRC, it is impossible for the state to take care of everything in the development of the cause of general education, neither is it feasible to shift the burden of the funds needed in general education onto the masses. The correct policy should be persistence in "walking on two legs," namely, raising funds through various channels to run schools, which has been proved correct by practice in the past 30-odd years. In other words, it is necessary to bring into play in a big way the initiative of enterprises and institutions, communes and brigades in the rural areas, and all social sectors to raise funds for running schools.

In recent years intellectual investment has been increased, as the "leftist" influence expressed in negligence of education has been overcome by party and government leadership at provincial (city, prefectural) and county levels, and by the leadership of various departments. For instance, general education funds in Fujian Province grew by 17.1 percent in 1982 from 1981; in Jiangsu Province, the funds allocated to education account for 15.54 percent of the local financial expenditures this year, while other places have also increased their education funds to varying degrees. This illustrates that the exploitation of intellectual resources and the development of education have already aroused the attention of various places. However, the development is uneven. At present, the idea of attaching little importance to education, in particular to elementary education, still has considerable influence. It is necessary to see that secondary and primary school education is elementary education, and that primary school education is the basic important starting point in the cultivation of talents for the four modernizations, and in raising the level of science and culture, ideological consciousness, and morality of the whole Chinese nation. We can put it this way, universal primary education is the capital construction in the exploitation of intellectual resources of 1 billion people; it is the most fundamental work in realizing the four modernizations, and in the building of material and spiritual civilizations; and it is a project of vital and lasting importance which has a direct bearing on the future of our country and our nation. From now on it is imperative for us to step up the introduction of universal primary education as fast as possible. We should be willing to spend money on education, and should rather run fewer other undertakings. In particular, we should reduce duplicate construction projects not included in the national plan, so as to run education well. But of course, it is also necessary for us to understand correctly and to handle the relation between education and economic construction. We should see not only the tremendous role of increasing educational investment and developing the educational cause in economic construction, but also the restriction on the development of education by economic development. At present, it is unrealistic to require the state to increase investment on education too much or too fast.

Universal education is a cause of the whole society, and it should be run by bringing into full play various social forces. In our country the masses have a fine tradition of running schools, and are willing to raise funds to run education under feasible conditions. With the continuous development of production and the rise in living standards, their initiative and ability in running schools is also growing. For instance, in the past 4 years in Shandong Province alone, investment in the improvement and construction of village school buildings has reached over 490 million yuan, of which 75 percent is investment by communes and brigades and the masses. Will this add to the burden of the masses? Some people are worrying. We hold that it is quite all right for the masses to provide some of the education funds on a voluntary basis, according to their capability and the actual conditions of the local economic development. The masses are willing to devote their efforts to developing their own educational cause so long as the funds raised are really used in running education. This is doing something good for future generations.

Therefore, it should not be regarded as an "irrational burden" for the communes and brigades in the rural areas and the masses to raise funds to run schools in a voluntary basis. Neither should factories and mines, enterprises and institutions look upon raising funds to run schools as an "extra burden." To avoid the malpractice of exacting charges at will, the work of raising funds to run schools in society should be carried on in an organized manner under leadership. Government at various levels should work out corresponding regulations and adopt varied methods in raising education funds, in accordance with the different conditions in the urban and rural areas.

Education funds do not come easily. It is necessary for educational departments to do well in managing and spending those funds in a down-to-earth manner, to strive to spend less while places should concentrate their efforts and strive to set a deadline for when "there is no school in any dangerous building, there is a classroom for every class, and a desk and bench for every student," and improve other conditions for running schools step by step. It is imperative to expose and handle severely phenomena of misappropriation and misuse of education funds, and graft and embezzlement. Serious cases must be punished by law.

There are many problems to solve in realizing universal education, and the most important of them is the ideological understanding of party and government leadership at various levels. Recently, Wan Li, vice premier of the State Council, emphatically pointed out in a speech made at the national work conference on general education, that it is necessary for CPC committees in all places to grasp the work of general education as they do energy, transportation, and economic work. This is one of the criteria for checking a party committee's understanding of modernization and its level of leadership, he said. It is possible to complete in the main the task of universal primary education in the 1980's, we believe, so long as the party and government leadership of all places attach importance to the work, strengthen their leadership, are good at organizing various forces, adopt practical and effective measures, and solve the problem of funds for universal education and other practical problems of all sorts.

ANHUI RIBAO ON FLOOD PREVENTION WORK 'VICTORY'

OW291200 Hefei Anhui Provincial Service in Mandarin 1100 GMT 28 Aug 83

[Excerpts] ANHUI RIBAO on 28 August carried a feature report on its front page on the decisive victory won by Anhui Province in the struggle against floods.

According to the report, the floods in Anhui Province this year were as bad as those in 1954. In 1954, dikes along the Changjiang and Huaihe Rivers broke and 35 million mu of land in Anhui Province were inundated. This year we ensured the safety of the dikes along the Changjiang River and the Huaihe River and protected most of the large tracts of land, each with an area of over 10,000 mu, behind the Changjiang River dikes. We also protected cities, industrial and mining districts and main railroads. With some 14 million mu of land flooded this year, the province suffered fewer losses than in 1954.

JIANGSU OFFICIAL ON KEY PROJECTS CONSTRUCTION

OW290515 Nanjing Jiangsu Provincial Service in Mandarin 2300 GMT 28 Aug 83

[Text] The provincial work conference on capital construction heard a gratifying report from (An Diguang), deputy director of the Jiangsu Provincial Department of Construction. By July [as heard] 256 million yuan had been invested for the construction of the four state key projects in Jiangsu. This represents 41.6 percent of the total investment to be made for these four projects this year. This percentage is slightly higher than that for the total investment made in capital construction in the province as a whole. In other words, the rate of fulfillment of the year's investment plan is 1.5 percent higher for key project construction than for overall capital construction in the province.

Comrade (An Diguang) said: This figure of 1.5 percent should not be underestimated, because it is a good beginning of what is to be expected. The pattern of capital construction investments made last year in Jiangsu was such that investments made for planned, central or key projects were not as high as for unplanned, local or general projects. Some comrades have described them as the three lows and three highs. This situation continued during the first half of this year. In July there started to be a change in this situation of three lows and three highs. This change proves that the central authorities' policy of ensuring the construction of key projects is beginning to show results.

Comrade (An Diguang) pointed out that we still have a great deal of work to do in order to ensure the construction of key projects. All we have accomplished now is only a good beginning.

JIANGSU STRESSES CONTROL OF CAPITAL CONSTRUCTION

OW310305 Nanjing Jiangsu Provincial Service in Mandarin 2300 GMT 29 Aug 83

[Text] The Jiangsu provincial work conference on capital construction, which ended on 29 August, pointed out that it is necessary to take a serious look at projects under construction and to resolutely and strictly keep the scale of capital construction in Jiangsu Province within the limits set by the state in order to concentrate financial and material resources and guarantee that the requirements of state key construction projects are met.

The conference opened on 26 August. During the conference the participants studied and discussed the relevant central directives and the guidelines of the national capital construction work conference. They said that in capital construction work it is imperative to correctly handle the relationship between the whole and the party, between centralization and decentralization, and between key projects and ordinary projects.

Vice Governor Chen Huanyou made the summing-up speech. Comrade Chen Huanyou stressed that it is imperative to keep the scale of capital construction under control. He said: Recently many city party committees, city governments, and provincial departments and commissions concerned have worked seriously, firmly, and thoroughly to implement the State Council circular on keeping the scale of capital construction under control and checking projects under construction, and initial results have been achieved. As of now, more than 140 construction projects using locally raised funds in the province have been stopped or postponed, cutting down investment by 18 million yuan. The tendency to start new projects and still more new projects has been basically checked. However, we must not overestimate our achievements. The task remains very arduous. The limit for local capital construction investment this year has been set at 517 million yuan by the state. We must firmly keep the scale of local capital construction within this limit.

Comrade Chen Huanyou stressed: All cities and departments should continue to seriously check the projects under construction and resolutely stop those construction projects that are not included in plans. Individual projects which cannot be stopped or postponed must be brought within the overall limits set and must not be allowed to continue as projects outside plans. The planning and capital construction commissions at various levels should closely coordinate and work in concert with the departments concerned and, by each fulfilling its respective responsibilities, jointly strive to keep the scale of capital construction from getting out of control.

On guaranteeing the fulfillment of the requirements of key projects, Comrade Chen Huanyou said: Good progress is being made in the province. It is our glorious task and bounden duty to guarantee that the requirements of key state construction projects are met. We must make sure that the needs of every key state construction project in our province are fully met. The cities, counties, and provincial departments undertaking key state construction project tasks must work all the more energetically to fulfill their tasks according to state plans and insure smooth progress. Cities, counties, and departments without specific tasks related to key state construction projects to perform should give support to these projects in every way possible. Transport, supply, commercial, and other departments as well as the service trades should all adopt concrete measures to support key construction projects. Party committees and governments at various levels should strengthen leadership over key construction projects, take the initiative in paying attention and giving support to them, and create a good social atmosphere of everyone working for and making contributions to key state construction projects.

#### JIANGSU CIRCULAR ON COUNTY OFFICIALS' MISTAKES

OW300151 Nanjing Jiangsu Provincial Service in Mandarin 2300 GMT 28 Aug 83

[Text] The Discipline Inspection Commission of the Jiangsu Provincial CPC Committee recently issued a circular on the malpractice of the leading organs of Donghai County in squandering public funds on dinner parties for guests. The Discipline Inspection Commission called on all localities to resolutely prevent the revival of such an unhealthy tendency.



The circular says: In May this year, the Discipline Inspection Commission of the Donghai County CPC Committee conducted an inspection at various county offices regarding their squandering of public funds on dinner parties for guests in the first 4 months of this year. Of 57 inspected units at and above bureau level, 45 spent public funds on dinner parties for guests. They entertained about 1,800 guests at 280 parties. At the same time, the accounts of the county hostel and the hot spring guest house showed that 44 units below bureau level held 171 dinner parties, which were paid for from the income of the hostel and the guest house, or from the production, operational or administrative funds, funds for urban and rural water facilities, or for the campaign to support the Army and give preferential treatment to Army families, and to support the government and cherish the people. Some units asked their subordinate units to foot the bill, Others even falsified expense accounts as wages for temporary workers. An important reason for the malpractice was the failure of the leading cadres of the county party committee to set a good example. With those below following the bad example of those above, the unhealthy tendency of giving dinner parties became more and more serious. After the county Discipline Inspection Commission had discovered the malpractice, it immediately reported the fact to the county party committee and to the discipline inspection commissions at higher levels. It unequivocally pointed out that the county party committee should be held responsible, and that measures should be promptly adopted to stop the malpractice. The county party committee has held a special meeting of its Standing Committee, conducted criticism and self-criticism and discussed corrective measures. The secretary of the county party committee openly made a self-criticism on behalf of the county party committee, and submitted reports on the self-criticism to the Lianyungang City CPC Committee, and the city and provincial Discipline Inspection Commissions.

The circular points out: The mistake by the Donghai County party committee was serious. That the county Discipline Inspection Commission immediately reported the problem to the county party committee and to the higher-level discipline inspection commissions and pointed out the mistake, showed that it was faithful in the discharge of its duties. Such a spirit merits popularization. Discipline inspection commissions at all levels should follow the good example of the Donghai County Discipline Inspection Commission and exercise still better supervision over party committees at their corresponding levels.

#### JIANGSU ECONOMIC MEETING ENDS, GOVERNOR SPEAKS

OW31024 Nanjing Jiangsu Provincial Service in mandarin 1100 GMT 29 Aug 83

[Text] The Jiangsu provincial conference on foreign capital utilization and foreign trade, called by the provincial People's Government, ended in Nanjing on 29 August after 6 days in session. The conference was attended by comrades in charge of work in this field from various cities in Jiangsu and from provincial departments concerned. Comrades of the Ministry of Foreign Economic Relations and Trade were also invited to attend. Governor Gu Xiulian, Vice Governor Zhang Xuwu and Comrade (Liu Guozhong) made reports and speeches at the conference.

Those present at the conference studied and implemented the guidelines of the national conference on the use of foreign capital and of the conference on the consolidation of economic and trade enterprises, summed up and exchanged experiences of some cities and enterprises of Jiangsu province in using foreign capital and in foreign trade work, discussed and drew up specific measures and suggestions for further expanding the province's use of foreign capital and trade with foreign countries, and discussed such questions as how to achieve better economic results.

At the closing session on the afternoon of 29 August, Governor Gu Xiulian made a report on questions concerning economic work in the province. She talked about four questions: 1) the new situation faced by the province's economy; 2) the way out for economic development; 3) the need to act in the spirit of reform and properly handle relations between the various quarters; and 4) how to achieve better economic results in foreign trade and cut down losses.

Comrade Gu Xiulian said: The economic situation in the province is good as a whole. Good agricultural harvests have been achieved year after year. Industrial output has continued to increase. Domestic and foreign trade has been growing. Urban and rural markets are brisk. However, there are at present also problems such as reduced capital construction allocations in the budget, energy shortages, relatively major market changes, and so forth.

In the face of the new situation, what is the way out for the province's economic development? Comrade Gu Xiulian pointed out that the way out lies in improving existing enterprises and achieving better social and economic results. In view of the province's special characteristics such as its abundant agricultural and sideline products and resources, the successive completion of key enterprises producing ethylene and other chemical fiber materials, and the fairly good foundation of the processing industries, the stress of the province's industrial development from now on should be placed on raising the level of intensive processing of products, increasing high-grade goods, developing new products, and broadening industrial production.

On the question of acting in the spirit of reform, Comrade Gu Xiulian said: At present we should carry out necessary reforms in rules and regulations that are not suited to economic development so as to help make our economic activities more rational.

She also emphasized: A task of top priority is to train competent personnel and expand the ranks of specialists in foreign economic relations and trade. In addition to asking institutions of higher education to speed up the training of such personnel, it is also necessary to strengthen the training of the existing staffs of foreign economic relations and trade departments.

On how to achieve better results in foreign trade and cut down losses, Comrade Gu Xiulian pointed out: The fundamental way to cut down losses lies in having a correct understanding of the role of foreign trade and in firmly shifting foreign trade work onto the path of improving economic results. It is necessary to reform the foreign trade management system to unify the responsibilities, powers and interests of manufacturing and foreign trade enterprises, while really uniting manufacturing and trade enterprises, while really uniting manufacturing and trade enterprises, linking production with marketing, and turning out readily marketable goods.

She urged industrial and trade enterprises to make concerted efforts to overcome difficulties and create a new situation.

#### JIANGSU GOVERNOR MEETS WOMEN'S CONGRESS DELEGATES

OW310325 Nanjing Jiangsu Provincial Service in Mandarin 1100 GMT 29 Aug 83

[Text] The province's 93 delegates to the Fifth National Women's Congress left for Beijing on 29 August. Among the delegates were advanced and model individuals who have made outstanding contributions in industry, agriculture, culture and education, public health, financial and trade service, and other fields; returned Overseas Chinese and well-known patriotic women who ardently love the socialist motherland and have dedicated themselves to the four modernizations; and women workers who have been conscientiously providing service and making contributions to women and children over the past years.

Compared with delegates to the last congress, the educational level of the delegates to this congress is much higher and their average age is lower.

Before departing from Nanjing, the delegates were visited by responsible comrades of the provincial party committee Gu Xiulian and Zhou Ze, who urged them to bring back with them the guidelines of the congress and the good experience in women's work of other provinces and municipalities.

#### JIANGXI'S BAI DONGCAI ATTENDS TRADE UNION CONGRESS

OW300221 Nanchang Jiangxi Provincial Service in Mandarin 1100 GMT 28 Aug 83

[Excerpts] The Sixth Jiangxi Provincial Trade Union Congress opened solemnly at the Jiangxi restaurant in Nanchang City this afternoon.

Eight hundred nine representatives and 55 observers are attending the congress. Leading comrades of the provincial party committee, the preparatory group of the Provincial Advisory Commission, the provincial People's Congress, the provincial People's Government, the provincial CPPCC Committee, the provincial Military District and the Nanchang Army School, Bai Dongcai, Xu Qin, Zhao Zengyi, Zhao Zhijian, Wang Zhaorong, (He Mengwen), Zhang Yuqing, Huang Xiandu, Liu Bin, Wu Ping, Shen Hanqing, Liu Jianhua, Lu Liang, Li Shanyuan, (Shen Yingxiang), and Dong Chao, as well as responsible comrades of departments concerned, attended the congress.

Comrade (Han Feng), permanent chairman of the Presidium of the Sixth Jiangxi Provincial Trade Union Congress, delivered an opening speech. He said: The main items on the agenda of the congress are to examine and approve the work report and the financial report of the 5th Committee of the provincial Trade Union Council and to elect the 6th Committee of the Jiangxi Trade Union Council and representatives to the 10th National Trade Union Congress.

Amid warm applause, Xu Qin, secretary of the provincial party committee, delivered a congratulatory message to the congress on behalf of the provincial party committee. In his congratulatory message, Comrade Xu Qin pointed out: To accomplish the glorious mission of this new historical era, the broad masses of workers in the province must study hard to improve their ability to understand the world and change it. They must study hard to master modern science, culture, technology, and management skills. They must actively take part, support reforms, and be promoters of reforms. They must also strengthen unity among themselves.

#### JIANGXI HOLDS EXPORT TRADE FAIR IN GUANGZHOU

OW261229 Nanchang Jiangxi Provincial Service in Mandarin 1100 GMT 22 Aug 83

[Excerpts] According to a special dispatch from Guangzhou by station reporters (Liu Deqi) and (Zeng Hui), Jiangxi Province's first export trade fair opened today at the Jiangxi exhibition hall at Guangzhou's foreign trade center. Over 600 business firms from more than 30 countries and regions were invited, including Japan, the United States, Australia, Thailand, Malaysia, the Philippines, Singapore, Hong Kong, and Macao. According to an initial estimate, more than 4 million yuan of transactions were concluded today.

The trade fair was jointly sponsored by various Jiangxi import-export companies and the China International Trust and Investment Corporation and was endorsed by the Jiangxi Provincial People's Government. The purpose of this trade fair is to strengthen Jiangxi's contact with foreign businessmen, increase its export, and develop its foreign economic and trade relations. In the course of doing business, suggestions and views will be extensively solicited on ways to further develop economic cooperation and trade with foreign countries.

Twelve import-export companies' branches in our province are taking part in the trade fair. Export commodities at the fair include grain, edible oil, foodstuff, local products, livestock products, light industrial products, handicraft articles, textile products, pottery and porcelain, hardware, minerals, chemicals, pharmaceutical products, machinery and equipment, totaling more than 3,000 items. More than 300 items for transactions are new products.

The main business items during the trade fair include signing export contracts, holding talks on imports to Jiangxi, accepting foreign orders for processing and assembling products with materials provided from abroad, undertaking cooperative production and joint ventures, and holding talks on compensatory trade.

The trade fair closed on 27 August.

#### JIANGXI PEOPLE'S CONGRESS SESSION OPENS

OW250456 Nanchang Jiangxi Provincial Service in Mandarin 1100 GMT 23 Aug 83

[Excerpts] The third meeting of the Sixth Provincial People's Congress Standing Committee opened at Jiangxi Hotel today. Ma Jikong, chairman of the Standing Committee, presided over the meeting. Vice Chairmen Wang Zemin, Zhang Yuqing, Xie Xianghuang, Zhang Guozhen and Huang Xiandu and 38 Standing Committee members attended the meeting.

Vice Governor Ni Xianche observed the meeting and reported on Jiangxi's structural reform plan for prefectures and cities and the province's efforts made to combat floods, restore production and provide disaster relief.

Comrade Ni Xianche said: Prefectural and city structural reform has progressed quite smoothly in our province thanks to the existence of a specific ideological guide, a feasible plan and concrete measures. In drawing up the concrete plan, the provincial CPC Committee and People's Government paid close attention to Jiangxi's realities and the drawbacks of the present administrative division and management system at the prefectural and city level. After investigating and studying the matter many times, they decided on three reform measures -- merging existing prefectures and cities, expanding the jurisdiction of cities over counties and setting up new cities under provincial jurisdiction -- and applied them in light of the situation. After the reform, Jiangxi's administrative divisions will include 11 units at prefectural and city level: Nanchang, Jiujiang, Jingdezhen, Pingxiang, Xinyu and Yingtan cities, which are all under provincial supervision, and Ganzhou, Yichun, Jian, Shangrao and Wuzhou Prefectures, where administrative offices have been set up. At present, prefectural and city structural reform is continuing in accordance with the plan approved by the State Council and is expected to be basically completed by the end of September.

In his report on Jiangxi's efforts in combating floods, restoring production and providing disaster relief, Comrade Ni Xianche said: Jiangxi has experienced strange weather conditions this year. Since February, strong winds, hail storms and floods have occurred one after another, causing increasingly heavier damages. The superflood of last July, in particular, was of unprecedented force, scope and duration in Jiangxi's history since liberation. The water levels of our rivers surpassed that of the superflood of 1954. The flood caused heavy damage to industrial and agricultural production and to the people's lives and properties.



In the face of this great calamity, vast numbers of civilians and army men in our province waged a month-long tenacious struggle against the flood, with the concern and support of the CPC Central Committee, the State Council and the Military Commission of the CPC Central Committee and under the direct leadership of the provincial CPC Committee and party committee at various levels.

At present, people in the disaster area are making efforts to quickly restore production and rebuild their homeland. They are repairing flood-damaged projects and farmland, diversifying their economic undertakings and providing for and helping themselves by engaging in various production. After winning a bumper early rice harvest, people in areas not hit by disaster are striving to insure good harvests in the second half of this year. Our target is for our total grain output this year to maintain last year's level and for the average peasant income to exceed that of the last year despite the great calamities.

Chen Keguang, chief procurator of the provincial People's Procuratorate; responsible persons of the provincial Higher People's Court; responsible persons of the departments under the provincial People's Congress Standing Committee; responsible comrades of a number of prefectural administrative offices; and responsible persons of People's Congress Standing Committees of cities under provincial jurisdiction and of 20 counties observed the meeting.

#### BRIEFS

FUJIAN DROUGHT MENACE -- Drought is affecting the growth of crops in more than 5 million mu of land in Fujian Province. Water shortage has prevented the transplantation of seedlings to some 400,000 mu of late rice paddies. Crops in 95,000 mu of land have withered. Currently, all countries and cities in the province are being affected by drought in varying degrees, and the size of the affected areas is unprecedented. [Summary] [Fuzhou FUJIAN RIBAO in Chinese 14 Aug 83 p 1 OW]

SHANDONG WHEAT HARVEST -- Thanks to the implementation of the household contracting system, the average per-mu yield of the 414,000 mu of wheatfields in Huang County, Shandong Province, has reached 632 jin this year, an increase of 15 percent over the past year and a record high. At present, the county marketed 86.2 million jin of wheat to the state, overfulfilling this year's grain procurement target by 17.16 million jin. [Summary] [Jinan DAZHONG RIBAO in Chinese 30 Jul 83 p 2 SK]

SHANDONG LARGE COAL PITS -- Construction of the Baodian coal pits with an annual designed capacity of 3 million tons is being accelerated. The Baodian coal mine is one of the key projects of the Yanzyou coal base in Shandong. It is planned to be completed by the end of 1984. Construction of the coal mine began in October 1977. [Summary] [Jinan DAZHONG RIBAO in Chinese 27 Jul 83 p 1 SK]

BAOSHAN WATER TREATMENT PLANT -- Shanghai, August 27 (XINHUA) -- The central water treatment plant at the Baoshan iron and steel complex near Shanghai -- China's largest under construction -- went into trial operation Friday. The plant -- covering an area of 100,000 square meters -- is expected to supply 200,000 tons of filtered, soft and pure water daily, plant officials said. It has 30 kilometers of pipes. When completed, The Baoshan complex will be able to produce six million tons of iron and six million tons of steel annually. It will require four to five million tons of water each day, 95 percent of which will be recycled. Work began in April 1981 on the water treatment plant, which will supply water for major equipment now in trial operation, plant officials said. [Text] [Beijing XINHUA in English 1352 GMT 27 Aug 83 OW]

GUANGDONG SETS UP INTERNATIONAL LEASING FIRM

OW271238 Beijing XINHUA in English 0711 GMT 27 Aug 83

[Text] Guangzhou, August 27 (XINHUA correspondent Chen Bingguang) -- The Guangdong International Leasing Company has been inaugurated here in the capital of Guangdong Province.

The company will lease domestic and foreign machinery, equipment, vehicles, electrical appliances and scientific instruments to Chinese and foreign clients. It will also provide consulting services and handle re-leasing arrangements for small and medium-size enterprises in Guangdong now updating equipment and technology,

The company has business relations with American, French, Japanese and Hong Kong banks and their leasing companies, as well as with economic departments in Guangxi, Hunan and Hubei.

GUANGDONG CITY PROMOTES STRUCTURAL REFORM

HK290602 Guangzhou Guangdong Provincial Service in Mandarin 1100 GMT 28 Aug 83

[Text] Shaoguan City has made steady and smooth progress in structural reform since June, when the city and prefecture were amalgamated and the city took over administration of the counties. Following the amalgamation of the city and prefecture, Shaoguan City has established a total of 16 administrative organs including committees, departments, offices, and bureaus, a reduction of 19 compared with the preamalgamation time. The numbers of heads and deputy heads assigned to these bureaus is 60 to 50 percent less. In the new leadership groups of these organs, 51 percent of the members have educational standards at and above that of secondary technical and senior secondary school; and 54 of the 75 middle-aged and young cadres who are new members of the groups have university or college education.

During the structural reform, the Shaoguan City CPC Committee has persistently followed the mass line and conducted meticulous ideological work. The great majority of the leading cadres have been able to take the overall situation into consideration and obey their organizational assignment with ease of mind. A number of old cadres have taken the initiative to retire to the second line.

Following the streamlining of the organs, proper arrangements have been made for the great majority of old cadres who were a bit old but had not reached retirement age and were still in good health and capable of working.

BISHOP YE ADDRESSES GUANGDONG CATHOLIC SYNOD

OW301918 Beijing XINHUA in English 1637 GMT 30 Aug 83

[Text] Guangzhou, August 30 (XINHUA) -- China's Catholic Church can exist and develop only when it conforms to the actual conditions of the country and people, Bishop Ye Yinyun of the Guangdong Patriotic Catholic Association, said today at the association's second synod. The synod, which ran from August 24 to 30, was attended by more than 50 priests, nuns and worshipers from six dioceses in the province.

Bishop Ye called on priests and worshipers to run the church independently and resist attempts by external forces to control the Chinese Catholic Church.

China's policy on the freedom to believe in religion had been further carried out. Eighteen Catholic churches had been opened in Guangdong, and more and more worshipers could enjoy normal religious lives, he said. Catholic churches in the province received more than 7,000 worshipers from overseas, Taiwan, Hong Kong and Macao in the past two years, he added.

HENAN USES FOREIGN FUNDS TO UPGRADE PROJECTS

OW302335 Beijing XINHUA in English 1841 GMT 30 Aug 83

[Text] Zhengzhou, August 30 (XINHUA correspondent Yang Yinglan) -- Henan Province plans to use 200 million U.S. dollars in the next two years for 100 enterprise upgrading projects, vice-governor Yue Xiaoxia said today. Yue will arrive in Hong Kong tomorrow to open a Henan export commodities exhibition.

"During the exhibition, 61 projects will be announced. They have been included in national and provincial economic development plans," Yue said. Joint ventures, co-production, compensation trade, leasing and processing and assembling with supplied materials will be open to overseas and Hong Kong firms.

The upgrading projects will center on textiles, light industry, chemicals, metallurgy, building materials, coal, machinery, food, tobacco, and packing industries, Yue said. They will involve introduction of advanced domestic technology and research results as well as technology and equipment from abroad, with priority given to light industry and textiles, he added.

Henan, one of China's major textile centers, has 250 cotton, woolen, chemical fiber, silk and knitwear mills. The province is also China's leading tobacco producer. Technology, equipment and test instruments will be imported for three large tobacco factories in Zhengzhou, Xinzheng and Xuchang, Yue said. Technology will also be imported for plastics, leather, fur and furniture factories, he said.

The province hopes to import equipment for producing bread, soybean protein, wine, canned food and fruit. With more than 6.6 million hectares of farmland, Henan is a major producer of wheat, soybeans, peanuts, and cotton.

HENAN OFFICIAL INTERVIEWED ON FOREIGN FUNDS

OW301317 Beijing XINHUA in English 1138 GMT 30 Aug 83

[Text] Zhengzhou, August 30 (XINHUA correspondent Yang Yinglan) -- Henan Province, China's second largest coal producer, is willing to conduct technical and economic cooperation with Hong Kong, Macao and foreign firms for the expansion of its energy industry and exploitation of natural resources.

This statement came from Vice-Governor Yue Xiaoxia, who is scheduled to arrive in Hong Kong on August 31 to open an exhibition of Henan export commodities. "We welcome all forms of cooperation, including joint exploitation of natural resources, cooperative production, compensation trade, technical transfer and leasing," he said.

The province produced 60 million tons of coal last year, second only to Shanxi Province whose output exceeded 100 million tons. Work is now underway to expand Pingdingshan and other major coal mines, the vice-governor said. Expansion of the Pingdingshan mines -- a national key capital construction project -- will be completed in three to four years to produce an additional annual average of 2.6 million tons, Vice-Governor Yue Xiaoxia said in an interview with XINHUA.

Going hand in hand with the coal projects is the expansion of two major steam power plants and the provincial power transmission project, Yue Xiaoxia said. The Yaomeng power plant with a generating capacity of 1.2 million kilowatts will also supply other parts of central China.

"We have decided to absorb Hong Kong, Macao and foreign funds to import key equipment for the expansion of our coal and petroleum industries," he said.

Two oilfields, Zhongyuan and Nanyang, are being developed. Zhongyuan oilfield will be producing annually five million tons of oil and 500 million cubic meters of natural gas in 1985, the vice-governor said.

#### HUNAN PROVINCE TACKLES RURAL ENERGY PROBLEM

OW310145 Beijing XINHUA in English 0712 GMT 30 Aug 83

[Text] Changsha, August 30 (XINHUA correspondent Wang Pingxing) -- Peasant Tan Fuhua had no grain worries, as he had raised grain output in the last few years, thanks to the state's new farming policy. But he still had something to worry about -- firewood shortage. This last worry was dispersed early this year when he had a set of two fuel-saving stoves built in his kitchen.

Tan Fuhua, with a family of six, lives in Panjia Commune in Huarong County on Dongting Lake, in central China's Hunan Province. As there are neither woods nor coal resources, the peasants there have to depend on straw for cooking, and each year they face several months' shortage of fuel. Eyeing the left-over stacks of straw in front of his house, Tan said, "With the new stoves we can save half the fuel. Now we don't have to sail a long way to cut reeds in the lake."

Tan's stoves were of a design by a local energy technician. As part of an energy-saving campaign, the Hunan Provincial Rural Energy Department organized a contest of fuel-saving stove designs last year, and two designs from Hunan were listed among the best in a national contest the same year.

Compared with the much more primitive old stoves still widely used in rural areas, the fuel-saving stoves have several improvements in structure to help complete burning of fuel and prevent heat loss. Their fuel consumption is about half that of the old ones. Made of bricks, cement and clay, a new stove costs about 10 yuan.

In Hunan about 80,000 peasant households have replaced their old stoves within one year, and many more are preparing to build. The provincial rural energy department plans to help 1.8 million households replace old stoves within three years. The straw saved is applied to the fields as manure or sold as raw material for light industry.

An official of the provincial Rural Energy Department said that the fuel-saving stoves plus methane-generating pits and small hydropower stations might help ease energy shortages in Hunan's rural areas. The province now claims 150,000 methane-generating pits, most of them built since 1979. Built with concrete and filled with dung and straw for fermentation, these pits provide peasants with gas for cooking and lighting. The fermented substance is applied to the fields as manure. Hunan technicians are now developing new pits made of plastics.

In the last four years the province has spent 12 million yuan on developing methane-generating pits and fuel-saving stoves. Local government departments have organized technical personnel to do research on methane and stoves, trained technicians among the peasants and supplied building materials.

Some lucky peasants in Hunan's mountain areas use electric cookers -- about 3,000 households are now cooking with electricity. The provincial government has worked out a plan for an electrification campaign in ten counties. The province now owns over 9,000 small hydropower stations with a total capacity of 900,000 kilowatts, providing power for production and peasants' daily use.



HEILONGJIANG INDUSTRIAL PRODUCTION SAID TO BE BACKWARD

SK261126 Harbin HEILONGJIANG RIBAO in Chinese 2 Aug 83 p 1

[Excerpts] The recent provincial forum on industrial and communications enterprise consolidation noted: The industry of our province is now facing a challenge of improving enterprise quality at an early date. This is the fundamental way for enterprises to achieve better economic results, increase their competitive edge, and get rid of backwardness.

Chen Lei, secretary of the provincial party committee and governor of the province, spoke at the forum. He said: Facing this challenge, we should not only see our achievements so as to solidify our confidence in success, but also recognize our backwardness so as to catch up. Low product quality and high material consumption mirror our province's backward industrial production. In our industrial production, energy and raw material consumption accounts for 80 percent, and in some production, it is as high as 90 percent of the production cost. This figure is very high compared with other places in the country and is even higher when compared with foreign countries. High material consumption means little industrial profit, or even no profit or a deficit. Others produce products of higher quality and consume less. This means a challenge to us.

Comrade Chen Lei analyzed a phenomenon: Facing a rigorous challenge, some comrades still feel that "they are doing well." Why? Because our industry relies mainly on cheap energy, cheap raw materials, and cheap labor. This situation covers up our backwardness. Once the "three cheapnesses" are adjusted, our industrial enterprises will not be able to muddle along like this. Some of them will even have to close down. Therefore, improving the quality of enterprises is the only way for them to get rid of backwardness.

Deputy Governor Gong Benyan spoke at the forum. Attending the forum were responsible comrades of provincial industrial departments, bureaus and companies, comrades in charge of industry of various prefectures and cities, and chairmen of prefectural, city, and county economic commissions. In view of the problems in the province's industrial production, the forum stressed that current enterprise consolidation should be combined with readjustment, reform, and transformation so as to comprehensively consolidate enterprises with overall methods.

In order to improve the quality of enterprises and increase their competitive edge, we should persistently conduct reform in the course of consolidation and vigorously blaze a new road for industrial development. The province should select a city to experiment with comprehensive reform of the industrial system. All localities and departments should also select one of several enterprises to try out the work. We should learn from the experiences in rural reform, unify the responsibility and interests in the course of improving the economic responsibility system within enterprises, strive to define the responsibility more clearly, and embody interests more directly so that the enthusiasm of enterprises and staff and workers can be further aroused and they will make great contributions to the state.

HEILONGJIANG STATE FARMS HAVE RECORD HARVEST

OW271234 Beijing XINHUA in English 0800 GMT 27 Aug 83

[Text] Harbin, August 27 (XINHUA correspondent Wang Laixi) -- State farms on the reclamation areas in Heilongjiang Province have registered a spring wheat harvest of 2.25 million tons, an all time high record.

The vast reclaimed waste areas in this northeast China province are among the country's major spring wheat producers. This year, 97 state farms in the area sowed one million hectares of wheat, 160,000 hectares more than in 1982. Twenty of the farms have recorded yields of three tons per hectare, according to farm officials. The officials attributed the good harvest to suitable weather, proper field management, and implementation of the job responsibility system.

Of the 300,000 tons of wheat already delivered to the state, 90 per cent are of first-class quality, the officials said.

#### HEILONGJIANG SETS UP 'TALENTED PEOPLE' RESEARCH GROUP

SK270800 Harbin Heilongjiang Provincial Service in Mandarin 2200 GMT 26 Aug 83

[Text] The Heilongjiang Provincial Talented People Research Society was established in Harbin on 26 August. The board of directors of this research society was elected and the regulations of the society were approved. Li Lian was elected honorary head of this council of the society and (Huo Fangxia) was elected its head. During the first annual meeting of the society, which will last for 4 days, a total of 70 academic papers will be discussed.

#### JILIN EXAMINES INDUSTRIAL PRODUCTION RESULTS

SK260455 Changchun Jilin Provincial Service in Mandarin 1030 GMT 25 Aug 83

[Excerpts] The Jilin City economic commission held an enlarged meeting of its leading party members' group to earnestly study the State Council's written instruction and to find out where it had lagged behind and devise measures in line with the reality of its industrial and communications production.

At the meeting, participants unanimously contended: During the January-July period this year, though the city's industrial output value surpassed that of the corresponding 1982 period by 29.3 percent, enterprises' earned profits surpassed that of the corresponding 1982 period by 146 percent, enterprises lowered their production costs calculated in terms of comparable items by 4 percent and their economic returns and production speed showed a good tendency, in line with the demand set forth by the State Council and as compared with fraternal provinces, municipalities and autonomous regions, there still is a big gap. Prominent questions include the low quality of products and low beneficial results -- of 360 products covered by the city's production plans, 150 enjoy ordinary or slow sales, accounting for 43.6 percent -- the weakness of basic work, excess workload in technical transformation, low level of enterprise management and the lack of original statistics records. All of this reflects the need of further straightening the guiding ideology of operating industrial enterprises.

To further increase economic results and to carry forward the good tendency prevailing in industrial and communications production, the city economic commission worked out new measures and decided to hold study classes for plant chiefs.

At present, leading comrades of the city industrial and communications departments are improving their workstyle and go deep into reality to carry out investigations and studies among the 21 enterprises on the number of personnel, equipment and outfits in an effort to actively create conditions for maintaining sustained development in industrial production and further increasing economic results.

GANSU LANDSLIDE VICTIMS REBUILD WITH STATE HELP

OW202021 Beijing XINHUA in English 1834 GMT 20 Aug 83

[Text] Lanzhou, August 20 (XINHUA) -- Sixty-one families rendered homeless in a landslide in Gansu Province five months ago have moved into new homes. More than 270 people were killed on March 7, when about 60 million cubic meters of earth and stone suddenly hurtled 300 meters down Mount Sale in Dongxiang Autonomous County 50 kilometers southwest of Lanzhou, the provincial capital.

Since then, two new villages have been built to house the survivors. Villagers told visiting XINHUA reporters that 26 injured people have been discharged from local hospitals, and that 48 orphaned children are taken care of by relatives or neighbors.

Ma Guomin, 46, told XINHUA that four in his family of eight were killed when his house was destroyed. He now has a new five-room home, built with government assistance.

The main road in the area, which was also destroyed in the landslide, has been restored and its shoulders planted with 900 trees.

NINGXIA DEMOCRATIC PARTIES TRAIN MINORITY WORKERS

OW191409 Beijing XINHUA in English 1314 GMT 19 Aug 83

[Text] Yinchuan, August 19 (XINHUA) -- Seven spare-time schools have been set up by democratic parties in Yinchuan, capital of Ningxia, and in other cities of the Hui Autonomous Region in northesst China to help train able people for useful work in areas populated by minority nationalities. Run by the regional committees of the Kuomintang Revolutionary Committee, the China Democratic League and the China Association for Promoting Democracy, the seven schools offer 23 specialities such as English, statistics, accounting, business management and electronic technology. Most of the 80 teachers are members of the three democratic parties.

The 3,100 plus students in the schools are cadres and workers in various fields and young people awaiting jobs, 452 of whom have finished their studies and have been granted certificates by the regional Education Bureau.

In the second half of this year another seven new courses and 23 more classes will be started in the seven schools, enrollment at which will increase by 1,200.

SHAANXI MEETING DISCUSSES ECONOMIC GROWTH PROBLEMS

HK270530 Xian Shaanxi Provincial Service in Mandarin 0500 GMT 27 Aug 83

[Text] The economics department of the Shaanxi Provincial CPC Committee and the provincial Heavy Industry Department have jointly held a discussion meeting of leading cadres at and above county and regimental levels to study the "Selected Works of Deng Xiaoping." The meeting grasped the building of socialism with Chinese characteristics as its main topic and held enthusiastic discussions in connection with the reality of the province's economics and front and heavy industry system.

The participating comrades cited hosts of facts to show: A major cause of the slow economic growth in our province for a long time is that we have failed to act according to our capacity and live within our means. This has affected the development of the entire economy and the improvement of people's living standards.

They said: In carrying out capital construction in the past, we engaged in too much work and stretched the front too long. As a result, progress on key projects was slow and there was great waste. For this we have been punished by economic laws. Through studying the "Selected Works of Deng Xiaoping," we should deepen our understanding of the strategic policy decision on concentrating finances and materials to ensure key construction work, reiterated by the Central Committee, resolutely shorten the capital construction front, and take stock in projects under construction, as practical moves to ensure the progress of key projects.

#### SHAANXI HALTS CONSTRUCTION OF GOVERNOR'S QUARTERS

OW241431 Beijing XINHUA Domestic Service in Chinese 1131 GMT 21 Aug 83

[By reporter Jing Jiemin]

[Excerpts] Xian, 21 Aug (XINHUA) -- Under the criticism of the masses and strong advice of the Discipline Inspection Commission of the CPC Central Committee, Shaanxi Province has decided to halt the construction of the superhigh the buildings of governor's living quarters and commend the Xian City Construction Bank and cadres and people of provincial and city offices for upholding the principle in exposing this problem and reporting it to the departments concerned.

Originally there were five fully furnished single-story houses, with a total floor space of 560 square meters, or more than 100 square meters per household, on the compound of the Shaanxi Provincial People's Government. Under the pretext that these were old and unsafe, Shaanxi Provincial Government departments concerned dismantled two of the houses in the first half of this year and decided to build five high-standard and -quality duplex houses as living quarters for leading cadres. The construction was started in June.

The Xian City Construction Bank and some cadres and people of provincial and city offices reported these superhigh "governor's mansions" to the central authorities and departments concerned. The Discipline Inspection Commission under the provincial CPC Committee took immediate action to reflect the masses' critical opinion to the higher authorities. The Discipline Inspection Commission of the CPC Central Committee criticized the Shaanxi Provincial Government's erroneous practice. The Shaanxi provincial leading organs called a meeting on the afternoon of 16 August to discuss this matter and decided that the entire construction should be stopped immediately and that leading cadres at provincial level should observe the original regulation governing the area of their living quarters. The meeting urged departments concerned to inspect the whole matter, including the houses that have already been built, and commended the cadres and people for bringing this problem to their attention and the Xian City Construction Bank for upholding the principles of the people.

#### AFFORESTATION HALTS DESERT EXPANSION IN SHAANXI

OW271112 Beijing XINHUA in English 0726 GMT 27 Aug 83

[Text] Xian, August 27 (XINHUA) -- Trees and grass planted in the past 30 years and more have almost halted the southward spread of Mu Us Desert into Yulin Prefecture in Shaanxi Province, northwest China.



The prefecture was commended at a conference earlier this month on economic development of arid and semiarid areas of north China. The conference called for the planting of more trees and grass to help achieve a balanced development of agriculture, forestry and animal husbandry.

The Mu Us Desert traditionally threatens areas in seven counties, encompassing 16,000 square kilometers. The areas used to be hit by sandstorms on an average of 66 days each year. This had dropped to 16 days a year, officials at the conference said. Afforestation efforts in the past three decades have now reduced sand dune shifting from between three to eight meters a year to about one meter. Only 40,000 hectares were covered by trees before 1949, the year New China was founded. The current figure is 473,000 hectares, the officials reported.

Plans to build three tree belts stretching 950 kilometers have been 82 percent fulfilled, protecting 80,000 hectares of farmland. Shifting sand dunes of 305,000 hectares have been arrested or almost secured by grass and shrubs planted, the official said. The planting has boosted the prefecture's economic development. For the first time peasants have been able to grow rice and wheat over large areas, the officials added.

Last year, the desert-plagued areas' grain output was 145,000 tons, for an average of 311.5 kilograms per capita -- 35 kilograms more than the prefectural norm. The number of draught animals also rose from 76,000 in the early 1950's to 210,000 last year officials said.

#### XINJIANG HOLDS FORUM ON PUBLIC ORDER PROBLEMS

HK300735 Urumqi Xinjiang Regional Service in Mandarin 1300 GMT 27 Aug 83

[Text] This morning the regional CPC Committee and the regional People's Government invited responsible persons of local organizations in Xinjiang, of all democratic parties, religious nationality figures, representatives of mass organizations, and personages of various nationalities and circles to a forum to discuss the problems in striking blows at crime.

The forum was presided over by regional Vice Chairman Tian Zhong. Amudun Niyaz, regional CPC Committee Standing Committee member and political and legal committee secretary, first introduced at the forum the region's current situation in social order. He said: The region's political and economic situation has become better and better year after year. After comprehensive control, the region has achieved certain results in social order. However, social order has not been restored to the best state after the founding of our country. Criminals in some places are still very rampant. The problems in crime, such as homicide, robbery, rape, and theft, are relatively serious. In particular, some hoodlums and scoundrels have formed gangs to steal, practice fraud, waylay people, kill people to rob them of goods, and rape women. They have seriously sabotaged social order. The masses have hated them bitterly and strongly wanted the government to take effective measures to punish these scoundrels severely and quickly.

Amudun Niyaz said: With a view to tidying up social order as quickly as possible, in accordance with the Constitution and the laws and with the consistent instructions of the CPC Central Committee and the State Council, our political, legal, and public security departments must correct their tendency not to strike blows vigorously enough.

They must vigorously exercise their functions of dictatorship and in accordance with the law must arrest, sentence, send to reeducation-through-labor centers, and cancel the urban residence registration of those who deserve this treatment. In accordance with the law they must resolutely take most severe sanctions against those whose crimes are especially heinous and cases that are especially serious. They must by no means be softhearted and tolerate evil and abet it.

Responsible persons of regional relevant departments and relevant organizations, including (Ga Wenxiang), Han Youwen, (Ru Xian), (Ma Xaixun), (Zhou De), (Magou Weiya), (Zhu Maoxun), and (Hasimu Yimiti), spoke at the forum one after another. They expressed their extreme indignation at criminals' nefarious activities and demanded that political, legal, and public security departments use the weapon of law to sternly strike blows at criminal activities. They declared: It is necessary to mobilize the members of their own organizations and the masses who maintain ties with their own organizations to vigorously help the government to improve social order.

#### XINJIANG RIBAO URGES TAX COLLECTION EFFORTS

HK300143 Urumqi Xinjiang Regional Service in Mandarin 0100 GMT 30 Aug 83

[Report on 30 August XINJIANG RIBAO commentator's article: "Make All-out Efforts To Ensure Tax Collection"]

[Excerpts] The article says: Tax collection is a major channel by which the state accumulates capital for the four modernizations drive. In recent years our region has fulfilled the industrial and commercial tax collection quotas relatively well. Last year we broke through the 500 million yuan mark. This year's quota of 512.7 million yuan had been 60.9 percent fulfilled by July, showing a rise of 13.2 percent compared with the same period last year. The successes are outstanding. On the basis of these successes, the tax collection departments at all levels must make still greater efforts, work hard, investigate and study, promptly grasp changes in revenue sources, strengthen collection management, and do a thoroughly good job in collection organization.

The article says: At present the region is carrying out the work of substituting profit delivery for tax collection in state-owned enterprises. To ensure steady growth in the state's financial revenue, it is essential to handle well the relations between the state, the enterprise, and the worker in this work, and uphold the basic principle that the state takes the biggest share. We must not lay one-sided stress on the vested interests of our own units.

The article says: Tax departments must do a good job in collecting large sums from the normal sources and also in collecting smaller sums from scattered sources. All taxes that should be collected must be collected. It is necessary to strengthen management of tax collecting from collective enterprises and individual entrepreneurs. No area or department is allowed to reduce or waive taxes for anyone without the permission of the tax departments. At the same time it is necessary to do a good job in collecting capital for key construction work such as in energy and communications.

DEFECTOR PILOT ASKS DENG NOT TO OPPRESS FAMILY

OW301133 Taipei CHINA POST in English 26 Aug 83 p 12

[Text] Mainland Chinese freedom seeker Sun Tien-chin, who arrived here Wednesday, yesterday asked Chinese Communist head Teng Hsiao-ping not to oppress his family because of his defection.

"One should assume the responsibility of one's own actions," Sun said while reporting to the people on the mainland on his defection and safe arrival in the ROC through the Central Broadcasting Station [CBS]. Sun said his family knew nothing about his plans.

In his broadcast over CBS, Sun told people on the mainland that he has been receiving warm treatment and welcome from people in the free world since he flew a MIG-21 from Talien (in northeastern China) to land in South Korea on Aug. 7. He said he received even more enthusiastic care and welcome after he arrived in Taiwan. "I feel so intimate with people here, just like I have returned home," he said.

Sun also encouraged his compatriots on the mainland to follow him in defecting. "Once you have made the determination and strive forward for the goal, you will reach the goal in the long run," he told people there.

Sun Tien-chin began his second day in Taiwan by paying his respects to the late President Chiang Kai-shek at his temporary tomb in Tzuhua, Taoyuan County in the morning. He visited CBS in the afternoon.

Meanwhile, President Chiang Ching-kuo has ordered all relevant organizations to take good care of Sun. According to informed sources, President Chiang will receive Sun Tien-chin after the government formally inducts him into the ROC Air Force. The source said Sun will be admitted to the Chinese Air Force and receive a promotion, probably the rank of a full colonel, next week. In the rankless air force of Red China, Sun's position as deputy commander of a test pilot group is equivalent to that of a lieutenant colonel in the ROC. In addition, Sun will be given a reward of 7,000 taels of gold worth approximately U.S.\$4 million soon. The Ministry of the Interior said yesterday that Sun will get his identification card as a citizen of the ROC soon.

Premier Sun Yun-hsuan yesterday extended his welcome and paid respects to Sun Tien-chin for his defection at the risk of his and his family's lives on behalf of the Chinese compatriots at home and abroad. The premier made the statement after listening to reports by the Ministry of National Defense and the Ministry of Foreign Affairs on their negotiations with South Korea over the returning of Sun Tien-chin. Premier Sun also expressed his thankfulness to the Korean Government for its care of and help to Sun Tien-chin as well as its decision made upon the friendship between the two nations.

## Further Statement

OW310339 Taipei CNA in English 0258 GMT 31 Aug 83

[Text] Taipei, Aug. 31 (CNA) -- Freedom seeker Sun Tien-chin told an audience Tuesday that the persecution and bitter experiences he and his family members and relatives on the mainland have suffered personally show clearly that the communists are great liars.

In an impromptu speech made during his visit to the meeting of the World Anticommunist League and the Asian Peoples Anticommunist League, Sun said that what the communists promised is miles away from what they have actually done. He told the over 1,000 participants at the WACL and APACL joint meeting that there is no democracy and no freedom under the communist rule in mainland China, saying that the only way to enjoy democracy and freedom is to get rid of the communist regime. Over the past 30 years since Peiping's "land reform" and the Cultural Revolution, the Chinese Communists have given all kinds of lip services to the people. But none of their sweet talks have really benefited the people there, he said.

Sun told his audience that his father was persecuted and tortured to death during the period of the Cultural Revolution under fabricated charges. He estimated that approximately 10 million people died under false accusations at that time.

The freedom seeker said that in the past week since his arrival, in visiting the National Assembly, the Legislative Yuan, the Taipei municipal government and other agencies, he has felt the pulse of democracy in a free society. He felt surprised that a government official would have been tied down in argument during parliamentary interpellations. This, he said, never happens on the mainland.

Earlier in the day, the freedom fighter also visited Mayor Jackson Yang at the Taipei city government and the Chinese Women's Anti Aggression League.

#### ECONOMICS VICE MINISTER ON U.S. TRADE ISSUE

OW310047 Taipei International Service in English 0100 GMT 30 Aug 83

[Text] It is reported that C.M. Wang, vice minister of the Ministry of Economic Affairs, said that the ministry is paying close attention to the expansion of the trade surplus with the United States to ease further increase in the trade surplus. Wang said: A further trade surplus might bring a boycott and discontentment from the United States Government. He noted that the widening trade surplus with the United States shows the failure of the nation's diversification policy, which has been promoted for years. Wang attributed the recent increase of U.S. trade deficit to the high U.S. dollar on the world market. European countries have taken this advantage to increase their exports to the United States. According to customs' statistics the Republic of China's exports to the United States in July accounted for 43.7 percent of total exports.

#### ECONOMIC GROWTH RATE HITS 6.3 PERCENT

OW301027 Taipei CNA in English 1000 GMT 30 Aug 83

[Text] Taipei, Aug 30 (CNA) -- The nation's real economic growth rate in the second quarter of this year was 6.3 percent, up from 4.54 percent in the first quarter, according to the Directorate General of Budget, Accounting and Statistics. The growth, an official of the cabinet agency said, is higher than the pre-set target of 4.87 percent for the April-June period. He predicted the growth rate for the third and fourth quarters of this year at 7.66 percent and 7.88 percent respectively.



With these growth rates, the real growth rate for the whole year is expected to reach 5.6 percent, much higher than last year's 3.8 percent growth and the pre-set target growth of 5.5 percent for this year, the official said. He attributed the contributing factor of the nation's higher economic growth to the oil price reduction in March this year.

Taiwan's economy started picking up a faster pace since the second quarter of this year, he noted. He said the gross national product (GNP) for the second quarter stood at NT \$496.3 billion and estimated the GNP for the third quarter at NT \$514 billion. The inflation at the wholesale price level dropped to 2.37 percent in the second quarter of this year while inflation at the consumer price level was 3.84 percent.

The official predicted the inflation at the wholesale and consumer price levels at 1.14 percent and 3.96 percent respectively for the third quarter of this year. The Directorate General said the commodity and labor exports during the second quarter amounted to NT \$297.1 billion, up 14.95 percent from the same period last year, while the commodity and labor exports are projected at NT \$292.5 billion for the third quarter, up 14.38 percent from the same quarter period last year.

#### SOLDIERS, CIVILIANS DEVELOP NANSHA AGRICULTURE

W310329 Taipei CNA in English 0318 GMT 31 Aug 83

[Text] Keelung, Aug. 31 (CNA) -- The successful development of agriculture in the Nansha Chuntao (the Spratly Is.) and the abundant fishery resources in water around it make Nansha a "paradise in the sea" for fishermen.

Chi Tung-hsing, captain of the "Hai Kung", a ship of the Taiwan Provincial Marine Products Research Institute, says Nansha was a barren land two years ago, until the Taiwan Provincial Government's Department of Agriculture and Forestry sent agricultural expert Wang Sheng-hong to Nansha to supervise the planting of vegetable and fruit, especially in the techniques used.

Under his guidance and the hard work of the soldiers and civilians there, Nansha Is. has become a green island in the sea, Chi said. The papayas, bananas and various vegetables planted there are fully supplied for residents, he added.

Chi, who is one of the first Chinese civilians ever to move to Nansha, said that in recent years, under the positive reconstruction, the island not only has a cinema, billiards, a library, a table tennis building and various other recreational facilities, but also fishing piers with the latest equipment and abundant fish resources. It is really an ideal place for people to move to.

PRC DISSIDENT PERMITTED TO STAY IN HONG KONG

HK310110 Hong Kong SOUTH CHINA MORNING POST in English 31 Aug 83 pp 1, 24

[Article by Donald Cheung]

[Text] A long-time Chinese woman dissident, Lin Xiling, has been "allowed" by Beijing to stay in Hong Kong permanently. But the 47-year-old lawyer and writer has to return to China to obtain official exit documents before she can rejoin her mother and son who are in Hong Kong. Confirming this last night, Miss Lin told the SCM POST that the "verbal" permission was conveyed to her last week by the local office of the NEW CHINA NEWS AGENCY. However, she is seeking a written guarantee from the NCNA office that she will be allowed to return.

Miss Lin, whose real name is Chen Haiguo, arrived in Hong Kong on July 2 on a three-month visitor's permit. Regarded as China's most outspoken woman dissident, Miss Lin was jailed for 15 years following Chairman Mao Zedong's "anti-rightist 100 flowers campaign" -- during which intellectuals were encouraged to speak out freely on any topic -- in 1957. She was jailed that year for criticising the Chinese Communist Party and bureaucracy at Beijing University. She was released in 1973 and sent into "exile" as a factory worker in a remote city in Zhejiang Province. And it was only last year that she was assigned to a cultural institute in the province to work with Chinese writers. In June, she was sent to a Guangzhou university to teach law. However, shortly after she reported for duty, she was told she had been granted a three-month permit to visit her relatives in Hong Kong. Miss Lin yesterday said she was surprised when told the news. "It meant I was also going to meet my father whom I have not seen for many years," she said. Her father eventually flew in from Taiwan for the family reunion.

Miss Lin recalled that she started applying with her mother and son to come to Hong Kong in 1978. "But the Chinese officials only allowed my 69-year-old mother and nine-year-old son to leave in 1979," she said.

Miss Lin said she made repeated appeals to top Chinese leaders, including the General-Secretary of the Chinese Communist Party, Mr Hu Yaobang, and the Prime Minister, Mr Zhao Ziyang, but in vain. "My father also wrote to the Chinese authorities asking them to let me go to Hong Kong to take care of my aged mother and young son and to rectify the allegations made against me," she said. Although extremely happy with the permission to stay, Miss Lin is, however, wary about returning to China for the official documents. "I am supposed to leave on October 2, but I haven't fixed a date yet," she said.

All Chinese visitors who were previously allowed to stay in Hong Kong permanently now have to return to China when their two-way permits expire, following an accord between the Hong Kong and Chinese Governments last year.

Miss Lin made her first public appearance here on Monday at the Hong Kong Week Seminar, organised by the Federation of Hong Kong Students. She told the seminar the Chinese leaders, Mr Deng Xiaoping and Mr Hu Yaobang, should visit Hong Kong. She also said she opposed the secrecy surrounding the Sino-British talks on the territory's future.

Local China watchers yesterday reacted to the news with surprise and saw it as a "showpiece" attempt to woo support from Overseas Chinese for the country's unification move. "The permission, if genuine, must have come from top Chinese leaders such as Mr Deng," one noted.

WEN WEI PO ON HONG KONG SOVEREIGNTY ISSUE

HK310629 Hong Kong WEN WEI PO in Chinese 31 Aug 83 p 2

[Editorial: "Two Contrary Opinions"]

[Text] Recently, Mrs Elsie Elliott, an Urban Council member elected by the people, delivered a speech on the Hong Kong issue which merits our attention. Referring to the issue of Hong Kong sovereignty, she thoroughly refuted the validity of the three treaties on Hong Kong. With the wide range of knowledge of a solicitor, she categorically asserted: "Anything signed at gunpoint constitutes a crime, not a valid agreement."

In her speech, she also touched on the sentiments of the people at "the grassroots level" on prosperity and stability, saying that the economic interdependence of the Chinese mainland and Hong Kong would ensure that China would not change any of the fundamentals of the way of life of the Hong Kong people.

In her speech, she criticized the fallacies of attempting to preserve British rule in Hong Kong, pointing out that they were capable of "rocking the 'economic boat' now, confusing the issue, and causing uncertainty and panic."

The above-mentioned viewpoints and stand of Councillor Elliott involves such fundamental problems as sovereignty and prosperity. It can be said that they represent the views and penetrating judgment of the greatest majority of Hong Kong residents. Just before and after Councillor Elliott delivered her speech, two British Labor MP's, who arrived in Hong Kong for an inspection, expressed completely different opinions of the Wanchai district board meeting. They held that the three treaties on Hong Kong are valid and that the "public opinion" in Hong Kong they have collected "unanimously shows a desire to maintain the status quo, stability, and prosperity."

Evidently they parroted Mrs Thatcher in repeating the argument on "the validity of the treaties." After repeated debates, however, this stock argument has found little support in Hong Kong at this late hour. Internationally, this argument in defense of the British history of aggression has rarely been mentioned. Even Mrs Thatcher has not reiterated her original argument since the talks in Beijing. Attempts to peddle the "theory of the validity of treaties," regardless of its implications, can only reveal their unchanged colonial nature and prove their ignorance of reality.

With respect to the issue of Hong Kong sovereignty, history has irrefutably proved that Hong Kong is a part of China's territory. It was Britain which crossed the oceans and threatened the Qing government with the force of arms to sign the unequal treaties. Hence, the cession of Hong Kong sovereignty. Now that world colonialism has crumbled, what reasons are there for continuing British rule in Hong Kong?

The so-called demands of the Hong Kong residents to "maintain the status quo" is an argument aimed at spreading a smokescreen. Judging from the statements of various Hong Kong newspapers and magazines and the speeches of various strata and organizations in Hong Kong, it is very difficult to find the "public opinion" in support of the continued validity of the three treaties on Hong Kong and the argument advocating that Hong Kong sovereignty should belong to Britain.

According to Hong Kong residents, sovereignty over Hong Kong justifiably belongs to China. There is no room for discussion on this matter. What they are worried about and are considering now is not the ownership of sovereignty but how to preserve stability and prosperity in the transition period and after China regains its sovereignty over Hong Kong. To this end, Beijing has repeatedly asserted that it will adopt a series of systematic policies to ensure the stability and prosperity of Hong Kong and to preserve the existing social system and way of life. Therefore, when talking about "public opinion," it is necessary to answer conscientiously the question of how to preserve the stability and prosperity of Hong Kong. Discussing the "treaties" without touching on this issue runs counter to genuine "public opinion" and departs from the actual issue of Hong Kong's future.

Those British MPs who stand for the "theory of the validity of the three treaties" had better read the history of the Opium War, understand intimately the historical background leading to the signing of the treaties, and examine the evils brought about by the gun-boat and predatory policy so that they can realize their errors and look reality in the face. This is precisely a proper attitude forward the solution of the Hong Kong issue.

#### GOVERNMENT USE OF PUBLIC OPINION CRITICIZED

HK310131 Hong Kong TA KUNG PAO in Chinese 30 Aug 83 p 4

["Special "article by Li Hsing: "A Look at the Hollowness of the Public Opinion Card"]

[Text] Recently, the Hong Kong Government, from Acting Governor Haddon-Cave down to some members of the Executive and Legislative Councils, went hither and thither and spared no effort in launching a large-scale "public opinion soliciting" drive on the issue of Hong Kong future. At the same time, the Hong Kong Government has also departed from its normal practice by striving to win over the "grassroots support" and by calling on the residents to "participate in government and political affairs." Some newspapers, magazines, and other mass media also are creating public opinion and building up momentum for the Hong Kong Government. This is a trend which merits our attention.

The solution of the issue of Hong Kong's future is a major issue of immediate concern to the interests of the more than 5 million Hong Kong residents. Everybody has his or her own ideas and views. Therefore, in the course of the Sino-British talks, it is normal and also indispensable that the relevant quarters should proceed from the angle of solving the issue in soliciting and listening to the views of various strata in Hong Kong and in accepting these views rationally.

Since the Chinese and British leaders held talks in Beijing in September last year, the representative figures of various strata in Hong Kong have expressed a lot of opinions. In particular, the Hong Kong Federation of Trade Unions as well as scores of other trade union organizations, such as the Motor Transport Workers' Union, the Hong Kong Union of Chinese Workers in Western-Style Employment, and the Hong Kong Seamen's Union, recently held "discussion meetings on the issue of Hong Kong's future" one after another. They expressed support for the policy decision of the Chinese Government to regain sovereignty over Hong Kong in 1997. They were highly excited and inspired because the century-odd disgrace of the nation would be wiped out in this generation. They were opposed to the argument of "exchanging sovereignty for administrative rule," calling on China to regain administrative rule while regaining the sovereignty over Hong Kong, for sovereignty and administrative rule were inseparable.



They also raised many good proposals on how to administer Hong Kong when sovereignty has been regained and how to preserve the stability and prosperity of Hong Kong. They held that by implementing the system of Hong Kong people governing Hong Kong, not only can we preserve the stability and prosperity of Hong Kong, but also administer Hong Kong in a more satisfactory way. They also exposed the hypocrisy of the Hong Kong Government in "soliciting public opinion" and "respecting public opinion" in relation to solving the issue of workers' welfare.

The voice of the workers has received the support of the current affairs committee of the University of Hong Kong Students' Union. The committee has respectively written to Acting Governor Haddon-Cave and the director of the Hong Kong branch of the XINHUA NEWS AGENCY, Xu Jiatun, citing a host of facts to show that the Hong Kong Government does not respect public opinion.

Although the British find it difficult to oppose these views in a positive way, they are, nevertheless, not interested in them. What "public opinion" are they interested in playing up? To put in a nutshell, it includes no less than the following points: "There should be another 20 or 30 years of transition period after 1997;" "sovereignty and administrative rule should be separated;" "Hong Kong people governing Hong Kong is unworkable;" "two different systems cannot merge together;" "without the participation of the British in the administration of Hong Kong, it will be impossible to make Hong Kong prosperous," and so on. In short, according to the wishful thinking of Britain, it would be better for China not to regain Hong Kong; if China should be determined to regain Hong Kong, Britain will exchange sovereignty for the administrative rule; and if this is also unworkable, China and Britain will jointly administer Hong Kong. The British take this as a "public opinion card" in order to exert pressure on China at the negotiation table, drive a bargain, and prolong their colonial rule over Hong Kong.

The "public opinion card" is an old tactic. As is known to all, it was British Prime Minister Mrs Thatcher who was the first to play the "public opinion card." Coming to Hong Kong in September last year after the Chinese and British leaders concluded their talks in Beijing, she advanced the notorious argument of the "validity of the three treaties." At the same time, posing as a savior, she said that Britain would fulfill "its moral obligation" to Hong Kong and that the Hong Kong Government should pay attention to "public opinion."

Belstead, under secretary of British Foreign and Commonwealth Affairs, came to Hong Kong in December last year. He advocated the so-called "three-legged stool" argument, stressing that in the negotiations on the Hong Kong issue, it is very important to have a three-legged stool for the stool will immediately fall if one of its legs is discarded. The series of activities launched recently show that the "public opinion card" is a continuation of the British tactics of struggle on the Hong Kong issue.

In doing so, they have made an erroneous appraisal of the situation. They think that by taking advantage of some moods, such as some people do not have a sufficient understanding of the Chinese principle and policy on regaining sovereignty over Hong Kong and some people are afraid of future changes in China's policy, they can win in playing the "public opinion card." But they fail to understand that the sovereignty of the state is sacred and that the righteous cause of the nation suffers no humiliation. More than 90 percent of the Hong Kong residents are Chinese, the descendants of the Chinese nation. They will be able to gain a clear understanding of the situation and change their moods under a certain condition. No matter what tricks the Hong Kong Government will play on "public opinion," the broad sections of Hong Kong residents will see through them. Its wishful thinking can in no way be realized.

PRC COMBATS TAX EVASION WITH NEW REGULATION

HK301515 Hong Kong MING PAO in Chinese 30 Aug 83 p 5

["Special Dispatch" from Beijing: "The Ministry of Finance Draws up Regulations, and Tax Collection Work Will Be Strengthened Beginning From October"]

[Text] Taxation management work in provinces, cities, and autonomous regions throughout the country is very weak, and tax evasion is extraordinarily serious. In order to strengthen taxation management over individual industrial and commercial households and collective industrial and commercial enterprises, the Ministry of Finance has worked out a regulation that wholesale departments are required to deliver taxes on behalf of retail industrial and commercial enterprise households. This regulation will be put into effect beginning from October.

According to this regulation, individual industrial and commercial households are required to apply for taxation registration with local taxation departments 30 days after their commencement and before their winding up, and to pay the required amount of taxes in a timely manner. Two kinds of taxes must be paid: industrial and commercial taxes for business income obtained from marketing products, commercial operations, and services; and industrial and commercial income taxes based on realized profits. In this way, loopholes will be stopped and tax evasion reduced.

The statistics compiled by taxation departments in Shandong Province show that last year's tax evasion in the province was over 100 million yuan. This was caused by loopholes in taxation management work. 1) From September to December last year, 62 million yuan of tax was evaded by state-run enterprises, of which one-third took place in state-run industrial and commercial enterprises. 2) Tax evasion by collective industrial and commercial enterprises in cities and towns, and in commune and brigade-run industrial and commercial enterprises in the rural areas amounts to 30 million yuan a year. 3) Tax evasion in the free market and by individual traders and peddlers is more than 20 million yuan a year. 4) Tax evasion by individual industrial and commercial households is more than 15 million yuan a year. 5) Tax evasion in smuggling is more than 10 million yuan a year.

Last year, Liaoning Province collected taxes totaling 7.28 million yuan, only one-third of the amount due. The annual loss to state revenue resulting from tax evasion by licensed industrial and commercial households and from being unable to collect taxes from traders and peddlers without licenses totals more than 40 million yuan.

There are various reasons for tax evasion. 1) In individual economic activities, there are many channels for purchasing and marketing goods, which cannot be controlled in a planned way. 2) Many serious cases of evading taxes are not dealt with according to law, and this has aggravated the bad practices of evading taxes, resisting taxes, and being in arrears with the payment of taxes. As a result, it is difficult for taxation cadres to perform their duties. 3) Management work in taxation departments is weak. They are shorthanded and are lacking experience, and the departments concerned do not give energetic support to them.

Prior to the formulation of the provisional regulation by the Ministry of Finance, various localities had restored taxation organizations to step up the checks on tax evasion. For example, in Qiqihar City of Heilongjiang Province, there are 3,229 state-run and collective enterprises, and 6,000 individual industrial and commercial households.

Many of these enterprises and households tried to retain as many profits as possible by means of evading and resisting taxes, or by allowing themselves to fall behind in their payment of taxes. The city taxation bureau organized 500 taxation cadres to press for the repayment of evaded taxes. After 2 months of taxation checks, it recovered 1.46 million yuan. Now the city taxation bureau has decided that besides repaying the evaded taxes, units which have evaded taxes must pay a fine double the amount of the evaded taxes, and that the banks will debit the evaded amount by compulsory means against the units which are behind in their payment of taxes.

#### PRC PLANNING RESPONSIBILITY, ASSESSMENT SYSTEMS

HK290708 Hong Kong WEN WI PO in Chinese 29 Aug 83 p 3

[Report from Beijing: "New Leading Groups Institute Responsibility System"]

[Text] It is reported that after the adoption of structural reform and staff streamlining measures, the central authorities plan to institute the systems of personal responsibility and assessment in order to counter such bureaucratic habits as being slack at work, indulging in empty talk, shifting responsibilities, and disputing over trifles, and to rectify the above-mentioned unhealthy phenomenon through a strict responsibility system and assessment system.

On implementing the systems of responsibility and assessment, the authorities stipulate that party and government organs, enterprises, and institutions above county level can establish a cadre assessment committee under the leadership of the CPC committee. Members of the committee will mainly be personnel of organization and personnel departments as well as other organs and departments. In addition, the committee can recruit those cadres who have stepped down to the second and third lines but who are in excellent health and suited for handling this kind of work. The committee should be responsible for annual yearend appraisal, and system assessment every other year, besides frequently carrying out cadre assessment. The standard of assessment is based mainly on how a cadre carries out his responsibility, and the committee comprehensively assesses his virtue, ability, work attendance, and achievements, and in particular, attaches great importance to any practical contribution in creating a new situation in socialist modernization. The central authorities hold that implementing the personal responsibility system and assessment system are ways to overcome the problem of bureaucracy, to improve efficiency, and further discover qualified personnel. At the same time, they are also important measures to consolidate the achievements resulting from structural readjustment and organizational system reform. The Organization Department of the CPC Central Committee will put forward a proposal for approval and implement the resolution afterward.

#### WU XIUQUAN ON SINO-SOVIET RELATIONS IN 1950's

HK261331 Hong Kong WEN WEI PO in Chinese 25 Aug 83 p 3

["Special Feature" by Wu Xiuquan: "8 Years in the Foreign Ministry -- Part 1 [Continued], A Visit to Moscow and a Record of the Initial Sino-Soviet Relationship (January 1950 - May 1955)" -- Fourth Installment of "Part 1"]

[Text] During the Friendly Sino-Soviet "Honeymoon"

After the above-mentioned agreements had been signed in April 1950, Li Fuchun and some of our comrades returned to China as the second homeward bound group. However, as members of the China trade delegation, Ye Jicheng and other comrades stayed on in Moscow to continue their unfinished talks and agreement negotiations.

They did not return to Beijing until mid-May. We returned to China by train via Manzhouli. When the train stopped over at Shenyang, I got off the train and returned to the Northeastern Military District. It was because an order had been issued a long time before transferring me from the Military District to assume a new post in the Foreign Ministry, but I had not been through any transfer formalities since and had not handed over my work in the Military District to my successor. Therefore, I took this opportunity to return to the district so as to handle matters concerning these things as well as to settle my family.

On 4 May, I brought my family to Beijing and came to the diplomatic front. The party organization let us settle in a compound in Songshu [2646 2885] Lane, He Ping Men Nei [0735 1627 7024 0355], where I first lived after I was transferred to work in Beijing. Changes in the nature of my work after liberation took place after lapses of just 8 years. I spent the first 8 years in the Foreign Ministry, the second 8 years in the International Liaison Department of the CPC, another 8 years being investigated during the "Cultural Revolution," and another 8 years in the armed forces after that. I began my first 8-year period when I visited the Soviet Union and was transferred to the Foreign Ministry in early 1950.

At that time, our country was just founded and there were only some 20 countries which had established diplomatic relations with us. They were mainly the Soviet Union, some Eastern European countries, our brother countries, such as Mongolia, Korea, and Vietnam, and other neighboring Asian countries, such as Burma, India, Pakistan, and Indonesia. Among the major European nations, those which had established diplomatic relations with us included the United Kingdom, which had established the office of charge d'affaires in our country only because of its interests in China, as well as some neutral countries, such as Sweden, Switzerland, Finland, and Denmark. Some countries, like France, Italy, Belgium, and West Germany had not yet recognized us. Other countries in North and South America, Australasia, and Africa did not even have any official contact with us. Therefore, quite a large proportion of the work in the Foreign Ministry in those days was to make contact with the Soviet Union and some Eastern European countries. We were in constant contact with these countries in those years on diplomatic matters. Many government and civilian delegations visited us one after another. Receptions, talks, various festivals of different countries, and ceremonial activities were held very frequently.

Chairman Mao was the chairman of the Central People's Government in those days and he always received credentials from ambassadors of different countries personally, as well as attending activities held by different embassies, such as national celebrations, in person. Whenever he attended these activities, I usually accompanied him and acted as his interpreter. Therefore, I had more contact with Chairman Mao at that time. The Soviet Union and East European Affairs Department, which was directed by me at that time, was also a popular unit among other departments in the Foreign Ministry.

When I reviewed some reference material recently, I found out that during the first 3 to 4 years of the early 1950's, we signed more than 110 political, military, economic, technological, cultural, and other specialized agreements and protocols with the Soviet Union and Eastern European countries; whereas we only signed 20 to 30 agreements with other countries. Thus can be realized the frequent and close contact with the Soviet Union and Eastern European countries at that time.



### There Was Still Some Discord

However, our close relationship with the Soviet Union at that time did not mean that we always held the same view when handling problems, and there was inevitably some discord between us. For example, in a Sino-Soviet oil company joint venture in Xinjiang, the Soviet party unilaterally put forward the expansion of the oilfield exploration area. According to our agreement, however, the site of the oilfields was regarded as investment by China. To expand the exploration area for oilfields would mean that China would increase its investment in the venture; and, in turn, the Soviet counterpart should also increase its investment, that is, provide additional equipment for the oilfields. I raised this issue before the Soviet ambassador with Comrade Wang Zhen, who was in charge of Xinjiang, but they did not want to provide additional equipment and just unilaterally asked us to expand the oilfield exploration area. We were, of course, unable to accept this and insisted on handling matters in accordance with the principles of the agreement.

In another case, the Soviet Union recommended to us a film entitled "The Traveler Pu Er Re Wa Er Si Ji" [2528 1422 3583 3907 1422 2448 1015], which was a story showing a Russian "traveler" "exploring" in China. When we previewed the film, we found that it depicted our countrymen as utterly destitute and ignorant. The Manchurian Government officials in the film even acted servilely and in a flattering manner before the Russians; and all the Russians were civilized nobles, engaging in small favors and "benevolent" acts and giving millet gruel to the Chinese and so on. It was entirely the posture of colonialism. We held that it was actually the arrogance of expansionism in the tsarist era and insulted our people. We, therefore, decided not to accept the film. The party leadership asked Comrade Zhou Yang and I to meet the Soviet ambassador, Luo Shen [5012 3947]. We told the ambassador that we believed that the film would hurt the feelings of the Chinese people and was harmful to the friendship and unity of the Sino-Soviet nations, and we informed him that our government had agreed not to import the film. The ambassador had nothing to say on hearing our words. These two cases were among the contradictory struggles between China and the Soviet Union when we were on friendly terms.

### Reasons for Prolonging the Stay of Soviet Forces

According to the Sino-Soviet friendship, alliance, and mutual assistance treaty, the Soviet military bases, its properties, and facilities in Lushun and Dalian should have been returned to China by the end of 1952. But due to the international situation at that time, with the Korean war going on and the Sino-Japanese peace treaty not yet concluded, China and the Soviet Union agreed, after negotiations, to postpone the delivery time, and the Soviet forces stationed in Luda City postponed their withdrawal. For this reason, Premier Zhou Enlai made a special trip to Luda City on the eve of the 35th anniversary of Soviet Army Day in February 1953 to extend his regards to the Soviet Army stationed there. The appreciation group included Xiao Jingguang, navy commander, Liu Yalou, air force commander, Xiao Hua, deputy director of the General Political Department, and myself, since I was the vice foreign minister at that time. The then Soviet ambassador, Pan Youxin [3382 0645 2450], also accompanied us to Luda City. After we arrived there by a special flight on the morning of 22 February, we held four meetings to convey our greetings and appreciation simultaneously at different places that afternoon. Premier Zhou delivered his speech at the principal meeting while Xiao Jingguang, Liu Yalou, and I delivered our speeches at other meetings.

The texts of our speeches, however, were all the same, and mainly stressed that the reason for the Soviet Army's postponing the time for its withdrawal was the consolidation of this strategic point in the Far East, and expressed our appreciation to the Soviet Army stationed in Luda on behalf of the Chinese Government and the Chinese people. At the meetings, we also presented them with flags and souvenir badges.

The meetings were attended by the Soviet ambassador and consul, the Soviet generals stationed in Luda, Ou Yangqin [2962 7122 2953], mayor of Luda City, and so on. Also accompanying the delegation were about five to six theatre troupes, including the song and dance ensemble of the General Political Department. They performed for the Soviet Army right after the respective meetings were over. In addition, Premier Zhou led all the members of the delegation to lay wreaths at a monument to Soviet military martyrs and attended the Soviet Army Day celebration held by the Soviet Army stationed there. He also held a dinner to receive the Soviet generals stationed in Luda as well as personages concerned. On 25 February, the delegation returned to Beijing but some song and dance ensembles remained in Luda and continued their appreciation performances.

In the early 1950's, I traveled abroad several times. Once was in the winter of 1950, when I attended the General Assembly of the United Nations in the United States as a special representative for my government. At the assembly, I delivered a speech to denounce the United States' criminal act of aggression in China and I shall write of this under a special topic. In 1951, I made a trip to Panmunjom, Korea, which will be mentioned later on. The other two visits abroad were to attend the funeral rites of two foreign leaders. One of them was in early February 1952 when Choibalsan, the Mongolian leader, died. Actually, he died of an illness in Moscow on 25 January and his coffin was transported to Ulaanbaatar, Mongolia, on 29 January for a funeral rite held for him. On 8 February, our government sent a government delegation, led by Nie Rongzhen, acting chief of the General Staff, to Mongolia to attend his funeral. Members of the delegation included Ulanhu (chairman of the People's Government of Nei Monggol Autonomous Regional People's Government), myself (vice foreign minister), Yan Baohang (deputy head of the Foreign Ministry General Office), and Ji Yatai [0679 7161 3141], Chinese ambassador to Mongolia. Just after we arrived in Ulaanbaatar, we laid a wreath in front of Choibalsan's coffin. Mongolia held a solemn memorial meeting for him on 9 February, at which Comrade Nie Rongzhen delivered a memorial speech on behalf of our government. When the meeting was over, the Mongolian leaders, such as Ze Deng Ba Er [3419 4098 1572 1422], Bo Giong Ni [1580 8825 1441], who was the Soviet representative, our representatives, and others carried Choibalsan's coffin into his tomb as the gun salute was fired, the funeral music was played, and the siren was sounded. At that moment, I thought that the funeral rite was really filled with solemnity but never thought that I would attend another funeral rite in the following year which was on a more grandiose scale.

#### Death of Stalin

Stalin died on 5 March 1953. Our government immediately organized a condolence delegation, led by Premier Zhou, after hearing the news. On 7 March, the delegation flew to Moscow by a special flight to attend the memorial activities for Stalin. Members of the delegation included noted personages from the party, government, military, trade unions, youths, and women, as well as from democratic parties, people's organizations, and scientific and cultural circles. The members numbered scores, including Li Fuchun, Zhang Wentian, Luo Ruiqing, Ye Jizhuang, Wu Xiuquan, Guo Moruo, Liu Changsheng, Cai Chang, Liao Chengzhi, Zhang Bojun, Li Dequan, Qian Junrui, Qian Sanqiang, Zhou Libo, Zhang Zongxun, Wang Bingzhang, Luo Shunchu, and working personnel. It was the largest and the most representative condolence delegation ever sent by our government. When we arrived in Moscow on 8 March, we saw that every corner was filled with deep sorrow.

That night, the entire membership of our delegation and the staff of our embassy in Moscow came to the front of Stalin's coffin in a round-pillared hall in the trade union building. We laid wreaths and paid our last respects to him. Then, Premier Zhou led us in lining up to bow to the remains, and he stood solemnly with our embassy staff in six lines on both sides of the remains.

The Soviet Union held an extremely solemn memorial meeting and funeral rite in Red Square, Moscow, on 9 March. The Soviet party, government, and military leaders first carried Stalin's coffin to an artillery vehicle at the entrance to the trade union building, which was guarded by the Red Army. Then they walked to Red Square. At the front of the funeral procession, there was a red velvet mat on which all kinds of medals which he wore before his death were pinned. Like the Soviet leadership, we were walking to Red Square, with delegations from other countries, behind Stalin's coffin. At that time, I was deeply impressed by the Soviet people's and leaders' respect toward and grief for the death of Stalin. Though Stalin had made mistakes when he was alive and mistakenly killed many people during the purges, I could see that the deep sorrow among the Soviet people was sincere and straight from their hearts. During the Soviet war of defense, it was not coincidence that the Red soldiers shouted the slogan "for Stalin" when charging the enemy front. It of course contained a certain degree of personality cult, but the development and achievements of the Soviet Union under the leadership of Stalin were widely known. Besides, it is a natural feeling for everyone to praise and support their leaders.

The Soviet leaders and delegation heads of many countries mounted the rostrum at 1200 sharp, when the gun salutes were fired and factories, vehicles, and ships sounded their sirens. Red Square was fully crowded with silent people, and red flags tied with black gauze were hanging everywhere. Wreaths laid by the people were lined up from the entrance to the trade union building to the main streets near Red Square. In order to prevent unorganized citizens from surging toward Red Square and from affecting the order of the meeting, many main streets were blocked with trucks. After the Soviet leaders, such as Malenkov, Beriya, and Molotov, had delivered their speeches, the Moscow garrison formed a square and marched with parade steps, paying their last respects to their leader. At the same time, a formation of Soviet Air Force planes swept the sky. Then, millions upon millions of people passed in front of the rostrum with deep grief amidst the funeral music. That scene and that atmosphere were really difficult to forget. Among the funeral rites of all countries, this one might still be the most grandiose, even now.

#### WU XIUQUAN ON STALIN'S DEATH, KHRUSHCHEV

HK270330 Hong Kong WEN WEI PO in Chinese 26 Aug 83 p 3

["Special Feature" by Wu Xiuquan: "Eight Years in the Foreign Ministry -- Part I;" fifth installment]

[Text] Stalin Deified

I remember the first time I saw Stalin in the 1920's, he was an energetic man in the prime of his life. Three years ago, I saw him again when I took part in the Sino-Soviet talks. Although we saw that he was getting old and weak, there was not a slight suggestion that he was ill. We repeatedly drank to his health and shouted "Long Live!" to him. We did not expect that he would leave us so soon. At that time, in the CPSU, among the progressive personages of the world, or within the international communist movement, it was true that the personality cult of Stalin had been established. People had to a large extent deified him and he had become a symbol of supreme authority. His abrupt death was a violent shock and had an emotional impact on the Soviet Union as well as the whole world.

Although we knew very well that Stalin had put forward erroneous suggestions and make mistakes concerning the Chinese revolution, and that his domestic policy and his conduct in inner-party struggle were controversial, our hearts were, however, filled with respect for him. The position he occupied in people's hearts could not be substituted because he was a representative of the first socialist state in the world and he had, under economic blockade, political boycott, and military encirclement by the imperialist and reactionary forces of the world and amid the open provocations and clandestine sabotage instigated by enemies at home and abroad, led the people of the Soviet Union to surmount difficulties and to turn the Soviet Union into a fortress for the struggle against the imperialists of the world and a center which attracted, affected, and guided the world revolution movement. During the great war for the protection of the nation, he unswervingly led the people of the whole country to surmount difficulties which were hard to imagine. Eventually, the German fascists were liquidated and the East European countries were liberated. People could not but attribute all this to Stalin.

It is a pity that Stalin, as he had said in the early 1930's, "was carried away by his success" in his later years. In addition, he was surrounded by ambitious people and conspirators such as Khrushchev, and had stained his life with many mistakes. Later, he was used by people such as Khrushchev who turned the Soviet Union into a hegemonical state which violated proletarian internationalism. Consequently, the socialist states and the fraternal parties split and the world underwent a process of great upheaval, great division, and great reorganization. The lesson and the consequences were grave!

I think even great people such as Stalin will eventually bring tragedies to their countries and themselves if they cut themselves off from the masses and reality, lack self-knowledge, immerse themselves in subjective assumptions, appreciate, admire, and flatter themselves, and let themselves be surrounded by people who have ulterior motives. This is a bitter lesson which calls for deep thought by all Marxist leaders.

Of course, we did not realize this at that time. However, we did foresee that the death of Stalin would have a tremendous impact on many areas inside and outside the country. Thus, when people were mourning over his death, they really had heavy hearts and were even perplexed and ill at ease. Perhaps it was because the death of Stalin was such a great shock to people's feelings that Gottwald, the president of Czechoslovakia who went to Moscow to attend the funeral ceremony, suddenly died there immediately after the funeral ceremony. All our representatives had to go to the Czechoslovakian Embassy in the Soviet Union to offer our condolences. Later, Premier Zhou and Guo Moruo made a special trip to Prague to attend Gottwald's funeral ceremony. Premier Zhou returned to the Soviet Union from Czechoslovakia and led most of the representatives to return to China on 24 March, while Li Fuchun, Ye Jizhuang, and others stayed in Moscow to hold economic talks.

#### Khrushchev's Rise to Power

After the death of Stalin, subtle changes began to take place in Sino-Soviet relations. They were, of course, brought about by Khrushchev and his like, who changed Stalin's domestic and foreign policies. In addition, there were also other factors. As for the theoretical differences between the two parties, I am not qualified to comment on this issue.

Nevertheless, contradictions did not surface at that time. On the contrary, on diplomatic occasions, China and the Soviet Union strived to maintain and propagate the unity and friendship between them. And, up to then, the Soviet Union had provided us with long-term aid in some 150 projects. Thus it can be seen that they were still supporting us at that time. When Khrushchev and his entourage visited us in 1954, they basically agreed with us on many international issues, and most Soviet comrades remained quite friendly toward us.



This was Khrushchev's first visit to China. He appreciated the vast territory, the rich resources, and the magnificent scenery of China so much that he repeatedly expressed his admiration in his trip. Of course, we received them enthusiastically and courteously. During this visit, our government signed a series of important agreements with them, and issued important communiques on the talks and joint manifestos. One of these manifestos specially dealt with our relations with Japan.

Mainly in connection with the situation in the world at that time, all these communiques and manifestos pointed out the harmfulness of the U.S. prolonged occupation of Japan and support for the Chiang Kai-shek regime in Taiwan, and voiced the desire for an early normalization of relations with Japan as a step toward eliminating the crisis of war. The manifestos reiterated and emphasized that both China and the Soviet Union would adhere to the five principles of equality, mutual benefit, peaceful coexistence, and so on with respect to the relations between them as well as with other countries. According to the agreements, Soviet troops would withdraw from Luda, their navy base and other facilities would be handed over to China, and the shares held by the Soviet Union of the Xinjiang petroleum company, the nonferrous metal and rare metal company, and the Dalian shipyard, which were formerly under the joint management by the two countries would also be completely handed over to China. In addition, the two sides also signed some joint communiques on scientific and technological cooperation, on the project of the Lanzhou-Xinjiang-Alma Ata Railway, and on the Sino-Mongolian and Sino-Soviet international railway through transport, and so on. The pity is that as time went by, the contradictions between the two countries were gradually aggravated and eventually led to a split. As a result, all those agreements which had been concluded through painstaking efforts were torn up one after another by Khrushchev and his like.

#### WU XIUQUAN ON ZHOU ENLAI'S WORK STYLE

HK290331 Hong Kong WEN WEI PO in Chinese 27 Aug 83 p 3

["Special Feature" by Wu Xiuquan: "Eight Years in the Foreign Ministry -- Part 1;" fifth installment -- "(Originally published in SHIJIE ZHISHI No 16; to be continued in issue No 17)"]

[Text] Premier Zhou's Diplomatic Style

When I first worked with the Foreign Ministry, I was appointed to the post of director of the Soviet Union and East European Affairs Department. Then, in January 1951, I was promoted to be vice minister of foreign affairs and Comrade Xu Yixin [1776 0110 2450] took over the post of director of the Soviet Union and East European Affairs Department. The first Soviet ambassador to China during that period was (Roshen) [5012 3947]. After he left his post in 1952, three Soviet ambassadors were sent to China successively within 1 year. The second ambassador was Alexandr Semeonovich Panyushkin, who was called back home after staying 3 months or more in his post. The third ambassador was Vasily Vasilyevich Kuznetsov, who came to China on the same plane as our delegation returning from Stalin's funeral ceremony in early April 1953. It was heard that Kuznetsov, as a former chairman of a Soviet trade union, was sent to China as ambassador simply to acquire some diplomatic experience. He stayed in China for only some one-half year and then returned home to take up the post of first vice minister of foreign affairs. The fourth ambassador was Pavel Feodorovich Yudin, a philosopher. It was heard that Stalin recommended him to Chairman Mao when the latter requested Stalin to send a political advisor to China in 1950. This time, one of the purposes of his mission to China was to make an on-the-spot study of Mao Zedong Thought.

In brief, Sino-Soviet relations in the early 1950's were characterized by unity and friendship, although there were already signs of difference and split. If the department really made some achievements in handling Soviet and East European affairs under my leadership, it was because we conscientiously carried out the directives of the central authorities, in particular those of Premier Zhou. Although I left the post later when I was appointed ambassador to Yugoslavia, I must admit that personally I really acquired a lot of experience from this previous job. And, it was during this term of office that I was elected deputy to, and attended, the First NPC. At that time, every NPC deputy could get additional pay of 50 yuan a month as "travel allowance" for making inspections and attending meetings. The payment of this allowance was based on an idea originated by Comrade Yu Xinqing [0151 1800 3237], director of the protocol department of the central government. This system was abolished later as some people held that the payment of travel allowance was a measure which used to be practiced by the KMT, and that we NPC deputies each had our salaries and thus did not need such an allowance. Here I recall this episode just for the record.

#### Incredible Workload

From my appointment to the post in the Foreign Ministry to my mission to Yugoslavia in 1955, I worked directly under Premier Zhou for some 5 years. I was also under his direct leadership when I was working in the central soviet area and joined the Long March in the 1930's: The personality and the working spirit of Premier Zhou made a deep impression on me. He upheld his style after the founding of the PRC and in fact, did harder and intense work, holding concurrently the post of minister of foreign affairs at that time. Although he undertook a terribly heavy workload in other fields, he still managed to do a very concrete and meticulous job in his post in the Ministry of Foreign Affairs. Since he was always very busy, he usually devoted his days to other activities and tried to find time in the evening to discuss the work of the Foreign Ministry with us. Everytime, before the meeting, we used to work out the discussion schedule in advance and, when seeing him, directly presented before him all the opinions and materials which we had separately prepared and then immediately started discussion frankly and straightforwardly without beating about the bush and wasting time.

All of us conscientiously adhered to this rule. We just could not bear to take up too much of his time and energy although we longed to hear more directives from him each time. We used to say good night to him as soon as the problems were settled so as to let the next group of people meet him. Every evening, he had to handle at least three to five work meetings like this, on different fields of work and with different people coming in according to schedule. When a group was in a discussion with Premier Zhou, the next group was waiting outside. The discussions were well-organized and lively, everything went on in an orderly manner, and the efficiency was really high. This fully showed the work style and capability of Premier Zhou.

Premier Zhou not only had talks with us but also personally went over every diplomatic document drafted by us. He was very conscientious and careful in viewing documents, making some corrections and leaving some marks from time to time. After taking back those documents reviewed by him, we often studied them word by word, finding out how and why he corrected them and trying to have a grasp of his thinking and ideas. For us this was really a very valuable opportunity, which enabled us to learn not only from Premier Zhou's working spirit and attitude but also his way of thinking and style of writing. It was indeed a great pleasure and happiness to work under such a leader.

### The Five Principles of Peaceful Coexistence

Premier Zhou paid special attention to bringing the wisdom and initiative of the masses into play. The five principles of peaceful coexistence, which were first put forth by our country and then endorsed by different countries in the world, were in fact drawn up under his guidance. In 1953, he deliberated with the comrades of the Foreign Ministry on our work in Asia. He presided over the meeting himself and proposed some guidelines. Having discussed the issue several times, Comrade Chen Jiakang [7115 1367 1660] drafted a document based on the results of the discussion. This draft, being revised and finalized by Premier Zhou, was finally sent to Chairman Mao. Chairman Mao approved and ordered that the document be implemented. In this document were laid down the five principles which guide our country's diplomatic practice concerning our relations with Asian countries as well as all international relations. Premier Zhou first put forth these principles to India and Burma, which soon accepted them. They were later presented to the Bandung Conference and were rendered in further detail. Then they were extended into 10 points, included in the documents of the conference, and became the worldwide recognized principles governing international relations which are still followed by most countries today. For sure, these five principles of peaceful coexistence known to the world were worked out under the direct guidance of Premier Zhou and based on collective wisdom.

The personality, work style, and spirit of Premier Zhou had tremendous influence on and were really inspiring to many comrades. I demand of myself, for my whole lifetime, that I work and live in accordance with the example which Premier Zhou set for us. He can be rated as a model in our revolutionary and personal lives. I am glad to see that Premier Zhou's fine style is now reflected in some of our leading comrades who, like Premier Zhou in his time, work hard day and night for the party's cause and the people's interests. Properly carrying forward and handing down the fine tradition of Premier Zhou and other proletarian revolutionaries of the older generation is indeed an unshirkable great mission for our old comrades.

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